

Tomorrow

Tout de... After the summit meeting between Mrs Thatcher and President Mitterrand, the cordial is the 'entente' Henry Stanhope reports.



Sweet
Alan Hamilton buzzes off to discover the secrets of the beekeepers and honey makers.

Sentimental
Roy Strong finds old fashioned romance flourishing among the skyscrapers and motorways of modern Britain.

Journey
Proof that you can take a baby on an aeroplane without having a nervous breakdown.

Doctors told of pill change

As a result of studies apparently linking birth control pills with cancer, the Committee on Safety of Medicines has decided to advise doctors that women taking the pill should be prescribed a type with the lowest suitable hormone content. The Department of Health, however, said that it would be unnecessary to interrupt a monthly cycle of treatment. Research links, page 2

Nissan move may clinch deal

Nissan is believed to have revised its plans for a £500m British car plant and the go-ahead may be announced soon. Page 2

Tunnel snags

The Channel tunnel could be entirely privately financed, but companies involved would seek guarantees which the Government is not prepared to give. Page 2



Budget saving

The European Commission is adopting tough good management measures to save as much as £283m from this year's EEC budget. Page 5

Reagan pledge

President Reagan has pledged that the US will stand firm on the Middle East and deploy nuclear weapons in Europe on Schedule. Page 5

Scots oil slick

A thirty-mile oil slick off the west of Scotland is affecting the islands of Coll and Tiree, where 150 dead seabirds, mainly guillemots, have been washed ashore.

Anger over bid

The bid for the Eagle Star insurance company by Allianz, of West Germany, has angered British insurers who suffer severe restrictions on their operations in West Germany. Page 13

Leader page 11

Letters: on US foreign policy, from Sir John Whitmore; custodial sentencing, from Professor N Walker, and Mr P J Richardson.

Leading articles: Public spending: Grenada; Transport: Features, pages 8,10

Question marks over battlefield nuclear weapons; The future of the Daily Mirror; Britain's Falklands opportunity; Spectrum: How the ELO fall apart. Friday Page: Remembering Gerard Hoffmeyer; Medical Briefing.

Obituary, page 12: Mr Maurice Bishop, Professor Eric Casson.

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Chancellor allows no respite in inflation struggle

Mr Nigel Lawson, Chancellor, said last night there could be "no relaxation of the pressure to keep inflation moving down".

Mr Robin Leigh-Pemberton, Bank of England Governor, said failure to keep up the pressure on inflation would damage Britain's prospects.

The Stock Exchange Council took the first step in ending minimum commissions by introducing negotiated rates on overseas securities. (Page 13)

Lord Whitelaw will preside over a "star chamber" Cabinet group charged with reducing the £1,000m public spending overshoot for 1984-85.

By Frances Williams and Peter Wilson-Smith

Mr Nigel Lawson, the Chancellor, last night made plain the Government's unswerving determination to reduce inflation further through tight control of state borrowing and monetary growth.

He told the distinguished audience gathered for the Lord Mayor's banquet in the City of London that there could be "no relaxation of the pressure to keep inflation moving down".

The Chancellor's remarks were strongly supported by Mr Robin Leigh-Pemberton, Governor of the Bank of England, in his first big speech since taking office in July.

"Nothing would be more damaging to our prospects than failure to sustain the improvement in inflationary expectations, so painfully won", he said.

Mr Lawson was optimistic on inflation prospects, scoring predictions that inflation will rise next year. On the contrary, recent indicators suggested a continuing downward path, he said.

The Government's message was: "We mean what we say, and we mean to keep on top of inflation".

The present inflation rate of 5 per cent would have been thought too high 20 years ago and it was too high, the Chancellor said. He repeated the Conservatives' election manifesto pledge that the Government's ultimate objective was price stability.

Mr Lawson said the picture of the British economy was one of improvement, of falling inflation and renewed growth. World recovery, too, was clearly under way, and the prospects for continued growth next year and beyond looked good, although high interest rates and international debt remained uncertainties.

Mr Leigh-Pemberton said the prospects for growth were better than for years. The international debt crisis was still a preoccupation, while at home unemployment was still edging up and many companies were facing difficulties.

"But we now have low inflation combined with economic recovery and this offers the prospect of sustained improvement for the first time in many years," he said.

On a gloomier note, the Governor admitted that the international debt crisis could take years to solve and there were likely to be more difficult problems ahead.

"A durable and satisfactory solution to the debt problem may take a number of years to achieve, and will require perseverance and success on a number of fronts".

The Governor, who was echoed by Mr Lawson, said firm adjustment policies by debtor countries, sustained recovery in the West and a continued flow of finance to the developing world were all needed.

But he gave a warning that banks would not be able to lend money at the rate they had in the past. "Banks now need to strengthen balance sheets, liquidity and capital ratios," he said and suggested that borrowing countries encourage a bigger flow of direct private investment to meet their need for long-term finance.

The Chancellor devoted most of his speech, a typical mixture of optimism and severity, to the operation of the Government's monetary and financial policies. He emphasised that he did not intend to change policy objectives. "Our success in reducing inflation and creating the conditions for output growth demonstrates that there should be no change in the overall strategy."

The Chancellor made it clear that the medium term financial strategy (MTFS), which sets declining targets for money growth and public borrowing several years ahead, would still

mark the cornerstone of the Government's economic policy. "The MTFS is alive and well", he said.

The Government would aim to reduce both money growth and state borrowing further "over the medium term".

And the Chancellor repeated, for the benefit of Cabinet "wets", that this required "continued strict control of government spending... a task not just for today but throughout this Parliament and beyond."

Mr Lawson did, however, outline some technical changes he is now considering after an internal review of money policy. Contrary to "some ill-informed speculation", there would be no target for the exchange rate nor "any complicated mechanical formula linking it with other indicators."

But he was considering introducing a new narrow money measure, M0 or monetary base, consisting almost entirely of notes and coins in circulation - which recent evidence suggested would be less distorted than broader measures as a guide to decision on interest rates.

Business News, page 13

'Star chamber' will decide the cuts

By Anthony Bevins, Political Correspondent

The Cabinet took only a few minutes yesterday to agree to a "star chamber" procedure under which Lord Whitelaw, the Lord President, will attempt to whittle down the outstanding £1,000m overshoot for public expenditure in 1984-85.

It was said yesterday that Lord Whitelaw would sit with a few other Cabinet colleagues in adjudicating between the demands of the Chief Secretary to the Treasury, Mr Peter Rees, and recalcitrant ministers such as Mr Michael Heseltine, Secretary for State for Defence, and Mr Norman Fowler, Secretary of State for Social Services.

Whitehall sources refused to identify the other members of the committee, but it was said that they were not generally spending ministers. That would make Sir Geoffrey Howe, the Foreign Secretary, Mr John Biffa, Leader of the Commons, and Lord Cockfield, Chancellor of the Duchy of Lancaster, prime candidates for the task.

Before the procedure was nodded through, the Cabinet received an oral report from Mr

Rees. It is also understood that Mr Nigel Lawson, Chancellor of the Exchequer, gave his colleagues an account of the economic and financial situation. There was no discussion of the Treasury's public spending exercise, according to the Whitehall sources.

Mr Rees has managed to bring down initial departmental overside of £6,000m - first to £2,500m "hardcore" spending, and now down to an outstanding £1,000m which is said to include about £800m divided equally between defence and social services.

It was said yesterday that there was no dispute among ministers, no matter what political jockeying had been going on at the party conference in Blackpool, about the need to stick to the medium-term financial strategy spending target of £126,400m for 1984-85.

A real political battle will take place when Mr Lawson moves into the area of making cuts in the present targets in the hope of achieving tax cuts.

Leading article, page 11

Tougher penalties for big spenders

Jenkin squeezes the cities

By David Walker, Local Government Correspondent

The Government gave notice yesterday that it will squeeze the high spending, Labour-controlled city councils harder than ever in the rates settlement for 1984-85.

Mr Patrick Jenkin, Secretary of State for the Environment, announced that he is to penalize overspending councils so severely that several London councils, Liverpool, Manchester and Sheffield may join the Greater London Council and Camden in receiving no rate support grant.

But Mr Jenkin is trying to ensure that rate rises will be low for councils that toe the spending line. He has increased the total money in the grant to £11,800m, £90m more than the previous year.

For councils spending above

their targets, the Government will hold back grants at the rate of 3p per £1 of rateable value for the first 1 per cent overspend, rising to 4p for the second 1 per cent, 8p for the third and 9p for the fourth.

The style as much as the content of this government move is likely to annoy councils. Instead of convening the Consultative Council on Local Government Finance, where municipal leaders are formally represented, Mr Jenkin chose to make his announcement only to council officials who had gone to the Environment Department for a routine meeting.

The Labour-controlled Association of Metropolitan Authorities last night condemned "Mr Jenkin's total contempt for

agreed procedures" and criticized the impact of the penalties on impoverished inner city councils.

The exact effect on ratepayers of the new penalty schedule will be difficult to assess until councils start deciding their budgets. It seems, however, that most of the Conservative counties and many non-metropolitan district will, provided they trim their spending, increase rates by about 5 per cent. Some may still be able to reduce rates.

But some Labour councils in London and the cities are likely to refuse to cut their spending to the required level and will face steep reductions in grant: ratepayers will have to pick up the bill.

Navy Harrier crashes near manor house

From a Staff Reporter

A Royal Navy Sea Harrier exploded in flames close to a manor house yesterday, seconds after the pilot ejected to safety. The aircraft, from 899 Squadron, on a training flight from the Royal Naval Air Station at Yeovilton, Somerset, in Dorset, slightly damaged a farm building. The pilot was uninjured.

Mr David Allen, a worker at the manor said the plane "just blew up".

The Royal Navy said it would investigate the crash.

Anna Ford settles with TV-am

By David Hewson

Anna Ford settled a legal action against her former employers TV-am yesterday after the company agreed an out-of-court settlement and offered to re-employ her.

The agreed statement read out in court said: "They (TV-am) are pleased to have resolved their dispute with Miss Ford and the clearest indication of the regard they hold for her is that they are willing to re-employ her in some suitable capacity if she is so minded at any time."

But it is unlikely that Miss Ford will return to the breakfast station, which dismissed



her in April.

Both parties agreed not to talk about the dispute as part of the settlement, but it is understood that TV-am's offer of re-employment will not be accepted. It is a way of dissociating itself from remarks



Royal joke: the Queen attending the christening of Princess Theodora, daughter of King Constantine and Queen Anne-Marie of the Hellenes at the St Sophia Greek Orthodox Cathedral, Bayswater, London, yesterday (Photograph: John Voos).

Grenada Army imposes shoot-on-sight curfew

From Jeremy Taylor, Port of Spain

Grenada was under the firm control yesterday of its highly politicized armed forces, after the killing of Mr Maurice Bishop, the Prime Minister, and between five and nine other people, including three ministers, on Wednesday.

A 24-hour curfew was in force and the islanders were told not to leave their homes until Monday. General Hudson Austin, commander of the Army, gave a warning on Radio Free Grenada that anyone violating the curfew would be shot on sight.

Many parts of the island were reported to be without water or electricity, most telephone lines were cut and the Caribbean News Agency correspondent, Mr Alister Hughes, a Grenadian, who provided most of the unofficial information during the week-long political crisis, was detained by security forces.

Accounts of Wednesday's killings conflict sharply, but it is believed that a large crowd, estimated at 3,000 to 4,000, marched to Mr Bishop's residence on Mount Royal

above the capital, St George's, between 9.30 am and 10.30 am.

Led by Mr Union White-man, who resigned as Foreign Minister on Tuesday, they met only a light military guard which fired warning shots into the air. They stormed the house and freed Mr Bishop and Miss Jacqueline Craft, who had resigned as Education Minister, and took them down the hill into St George's towards Fort Rupert, the old British garrison overlooking the city harbour, where army officers loyal to Mr Bishop are thought to have been detained.

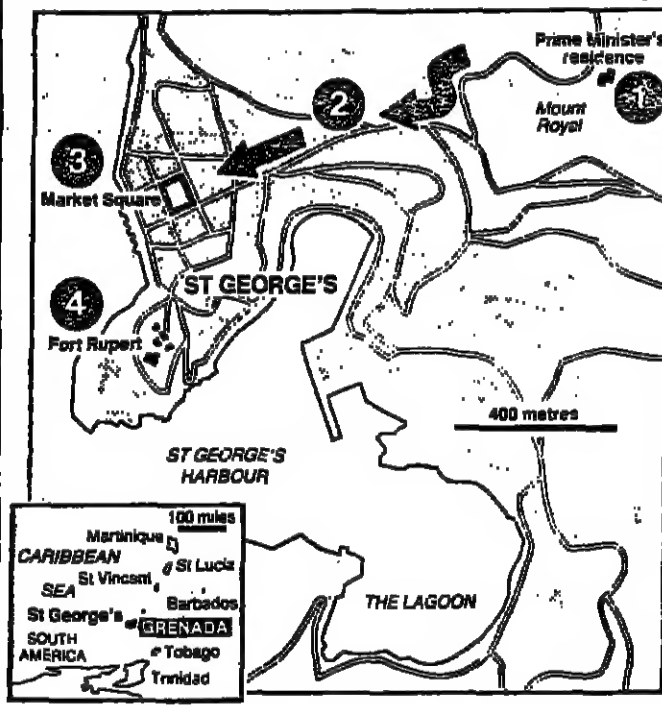
The idea was to free the officers and then march to Radio Free Grenada, where Mr Bishop would address the people for the first time since being placed under house arrest last week after his confrontation with the Central Committee of the ruling New Jewel Movement.

Radio Free Grenada went off the air, however, and as the crowd gathered at Fort Rupert, soldiers arrived in armoured cars and opened fire on the demonstrators.

Mr Bishop, marching at the head of the crowd, was among several injured or killed, and Miss Craft was apparently beaten. Mr Bishop was shot in the leg and taken with several other people to hospital.

Several hours later, between 9.30 and 10 pm, Radio Free

Continued on back page, col 7



- 9.30-10.30am (local time) Oct 19: Thousands surround official residence of Prime Minister, Maurice Bishop, and free him from house arrest.
- 10.30-12.30: Crowd carry Bishop in triumph towards town centre.
- 1.00: Army arrive, according to some witnesses, fire into crowd and lead Bishop away.
- 1.00: Other witnesses said Bishop and some of crowd marched to Fort Rupert, Army HQ. Soldiers opened fire.
- Army, says Bishop and crowd capture Army HQ, disarm soldiers, and fire on other soldiers sent to reason with them; Bishop dies in exchange of fire.

Cargo craft sent to aid Salyut

Moscow (AP) - The Soviet Union launched a cargo satellite carrying "expedient materials" to the two cosmonauts on board the Salyut 7 space station, which some reports have said is drifting after its propellant leaked into space.

Tass said the Progress 18 satellite was launched at 12.59 pm (0959 GMT).

It said the craft had been launched "under the programme of ensuring the further functioning of the orbital scientific station Salyut 7".

Abbey man tipped to lead Mirror

Reed International is expected to announce today the name of the new chairman of its subsidiary Mirror Group Newspapers, a post which has achieved a new political sensitivity.

The man heavily-tipped last night to lead the group to the Stock exchange is Mr Clive Thornton, aged 53, chief general manager of the Abbey National Building Society.

The most important part of the new chairman's job will be to placate the Labour Party which fears that the Daily Mirror - the only national daily to support the party in the last election - could swing to the Right.

Reed intends to sell its interest in the company outright which has led to fears in the Labour movement that it could be taken over by a right-wing entrepreneur.

Mr Thornton has emerged as the favourite ahead of a string of names which includes a number of former Labour ministers.

His acceptability to the City will not be challenged, but he is not someone with any strong association with the Labour movement.

Mr Thornton, a former lawyer, is known among his associates as a liberal, but not someone with any strong left-wing sympathies.

Love's labours lost, page 10

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حکومت الامارات

Synod to debate proposal to allow remarriage in church after full inquiry

By Clifford Longley, Religious Affairs Correspondent

Details of the recommended procedure to be used before divorced persons are allowed a second marriage in the Church of England are published today.

The proposals will be put before the General Synod for approval next month. However, there are indications that opponents of remarriage in church will attempt to defeat them in a last-ditch effort to maintain the church's traditional opposition to divorce.

The proposals, which if agreed will appear in the form of a handbook make it clear that the obtaining of a dispensation from the bishop for a second church wedding will be a formidable business. An extensive and thorough investigation by the clergyman concerned would be conducted to establish:

- Whether one of the couple was responsible for the ending of a previous marriage;
- If so whether there is "true repentance";
- Whether sufficient efforts were made to save the previous marriage;
- Whether former wives and children of former marriages are being properly supported, compliance with court orders not necessarily being sufficient;
- Whether the present applicants now understand and accept the obligations of church marriage, including its permanence;
- Whether the first marriage

was really a Christian marriage at all, or whether it could be deemed null and void.

The answers to those questions will go to a panel of advisers, who will recommend to the bishop whether to grant permission and declare the previous vows no longer in force. In cases of refusal there will be no appeal, and the couple will not be entitled to know the reasons.

The proposals make a substantial concession to those who opposed the decision in principle last July, by including an investigation into the possibility of de facto nullity. At the Synod's debate, the Anglo-Catholic group made clear that nullity, in the sense understood in the Roman Catholic churches marriage discipline, was the only ground on which they could permit remarriage.

It is understood that in drafting that section, the Anglican working party sought and received advice from priests of the Roman Catholic marriage tribunal in Westminster.

The section, the draft document states, should be dealt with by all clergy conducting such inquiries, and not only those who believe remarriage should be confined to cases where nullity can be alleged.

The clergyman should inquire, the document suggests, whether there was a serious defect of intention in one or both partners to the former

marriage, and whether consent to that marriage was freely and fully given.

The previous vows should not be called in question without clear evidence, "but by actions and behaviour, as well as by statements and agreements, one or both parties to a marriage may have revealed absence of intention to achieve a marriage according to the church's teaching."

The diocesan synod of Salisbury has already declared its continuing opposition to remarriage, and elsewhere in England meetings have taken place since July to support that view.

It was in July that the General Synod agreed, after more than a decade of debate and indecision, to permit remarriage in certain circumstances. It asked for detailed proposals for implementing this. It is those that are now published.

The synod will also again debate the proposal, last defeated about three years ago, that women priests ordained in the Anglican Communion overseas should be accepted as visiting priests on the same terms as men.

The synod is also likely to debate the stationing of cruise missiles in Britain, although such a debate would require the synod to agree to alter its own agenda.

Family life and the jet setters

By a Staff Reporter

The image of the jet-setting American business man or woman who has not time for the family is belied by an international survey which shows that American executives are more involved with their families.

According to the survey of 565 executives' spouses from 13 countries, 60 per cent of Americans who replied felt their partners did their fair share of domestic chores and 86 per cent did their fair share of "parenting". British executives scored lowest in this area with only 58 per cent doing their share of "parenting", according to their marriage partners.

The Americans also seemed most involved in their partners' careers, with 67 per cent saying they were "closely" involved.

International Management magazine says "the survey presents a picture of the executive's spouse as somewhat overburdened with the domestic details of life, interested in the executive's career, a useful and responsive sounding board for problems, grateful for any help with household chores, and generally content, except for the ever-present threat of relocation".

Only 12 per cent of those who replied felt that their partner's job was causing problems in the marriage, but 45 per cent blamed it for marital stress, and 34 per cent said it caused other stress. Nearly half the British spouses said the job caused difficulties with raising children.

Nearly three-quarters of the spouses and 82 per cent of the British respondents did not feel they had sacrificed their careers for their partners'. But 80 per cent of the British people who felt they had made such a sacrifice did so with regrets or very reluctantly.

The complete survey is available from Jennifer Vint International Management, McGraw-Hill House, Maidenhead, Berks, SL6 2QL (015).

Alleged rape victim held for contempt

James King, aged 27, of King's Cross Road, Dundee, was cleared by the High Court in Dundee yesterday of assault with intent to rape. His alleged victim, aged 22, was detained in custody after being convicted of contempt of court.

On Wednesday the alleged victim refused to say anything because she and King were friends.

The presiding judge, Lord Wylie, deferred sentence until November 3 to the High Court in Edinburgh, describing it as "a most unusual case". The woman was detained in custody for social reports.

Greeks open rival school

By David Cross

The socialist government of Greece is to open a nursery and primary school in Holland Park next week to rival a private Greek school in London, which has the former King Constantine as one of its leading trustees.

The new school, which will occupy premises in a building next to the Greek Embassy, is expected to enroll between 40 and 50 children between the ages of four and twelve.

Ford tells dealers to cut service charges

By Clifford Webb, Motoring Correspondent

Ford is urging its dealers to cut their prices for service and repair work to win back substantial business now being lost to "quick-fit" specialists, backstreet garages, and do-it-yourself motorists.

A two-year market survey has shown that only one in three owners take their cars to a franchised dealer. The remainder said that price and convenience were the deciding factors in using heavily advertised "quick-fit" specialists for exhausts, brake, and clutch replacements, and high street shops for do-it-yourself parts purchases.

The increasing drain on dealers' finances has come at a time when Ford, as with all the large car companies, has doubled the interval between service

in recent years while making the actual work of servicing much easier.

Dealers were previously able to offset the fall in profits as a result of the cut-price war in new car sales with servicing.

Ford is to launch a "Check Ford First" advertising campaign, and dealers, who want help with local advertising and promotion are being told: "You will have to trim your profit margins on both parts and labour charges."

Ford, along with Austin-Rover, and Vauxhall, will benefit from a 20 per cent increase in the number of "British" cars bought next year by Dial Contracts, which claims to be the market leader in company car leasing.

Fiat says Which? car survey was biased

A recent survey by Which? that is highly critical of Fiat cars, was attacked yesterday by the Italian company's chief executive in Britain as "blatantly biased" and "unrealistic".

Signor Pietro Quaglia, the managing director of Fiat Auto UK, told *The Times*: "I have never seen a report which, while pretending total objectivity, condemns in such a biased and generalized way making damaging statements on the basis of unrealistically small sample sizes and the subjective assessment of models now out of production."

He said that photographs of

five of the six Fiat models used to illustrate the report were of the latest models although findings and comments were based on earlier models and in one case referred to "a different car altogether".

Mr Quaglia's complaints were contained in a letter to *The Times*. Last night the Consumers' Association, which owns *Which?* magazine, declined to comment unless it received a copy of the letter in full. Mr Quaglia refused to release it "because we are considering what further action we may take".

British pupils 'lag in maths'

By Nick Wood

British children of below-average ability trail a full two years behind their West German counterparts in mathematical attainment, according to a detailed new comparison of education standards in the two countries.

The study shows that examination results achieved by children in the bottom half of the ability range are extremely poor compared with those obtained in the West German *hauptschule*, equivalent to the old British secondary modern school.

Two of three school-leavers in England and Wales failed to get at least a Certificate of Secondary Education grade five in a core of three subjects by English, mathematics and science - but nine out of ten West Germans were awarded their leaving certificates, for which they had to pass nine out of ten subjects.

The findings, come from a study by Professor Sig Prins and Dr Karin Wagner, and are contained in a pre-publication discussion document issued by the National Institute of Social and Economic Research.

Tractors to suit small farmers

By John Young, Agriculture Correspondent

Tractor manufacturers, who for several years have been introducing larger and larger models as grain acreages have expanded, are turning to the needs of small farmers.

The extremes of scale are represented by the Deere 8850, pictured above, manufactured in the United States, which generates 352 hp and is claimed to be the largest and most powerful in the world, and the same company's new 1140 LP (right). This is only 56 hp and is intended primarily for livestock and dairy farmers.

Mr Douglas Walker, manage-



Ancient and modern: A sea coal collector and his horse gathering fuel near Lynemouth, Northumberland. The coal will be used by the power station behind, which drives the modern Alcan smelter nearby. (Photograph: Stuart Bonney).

Law Society conference

Conflict over conveyancing

From Peter Evans, Home Affairs Correspondent, Paris

Moves by building societies to obtain powers to offer a cheaper conveyancing service pose a serious threat to the continuing viability of private practice. Mr Christopher Hewitson, president of the Law Society, told its national conference in Paris yesterday.

The societies wanted the power to do conveyancing, estate agency and insurance. There was "a considerable threat from cartels of building societies forcing the price down and doing what they like then they get rid of us".

On average more than half of solicitors' income comes from conveyancing. They have 99 per cent of the business.

Mr Hewitson urged the conference to "be wary of any proposal which, while offering

some superficial attractions may, in the process, wreak irreparable damage on the existing network for the provision of legal services in our country and the public's ability to receive impartial and objective advice from lawyers".

He told reporters later: "I am asking that the battered wife can hear advice from the man in the high street who is not closed down".

But Mr David Tench, legal officer of the Consumers Association, said the association has promoted a private member's Bill, now before Parliament, to open the way to licensing "conveyancers" in competition with solicitors. The Bill is being presented by Mr Austin Mitchell, Labour MP for Great Grimsby, and will have

its second reading on December 16.

There were many in the profession who would fight for monopoly to the last ditch. "Why don't we concede the principle and fight for the work?" Solicitors must show that they can do conveyancing best.

Answering the point that, without conveyancing, business other legal services could not be maintained, Mr Tench said that conveyancing was too expensive and not efficient, while justice was obtained "on the cheap". "There is no case for the house buyer to subsidize litigants."

Each area of the service must be self sufficient and each member of the public should pay for the service received, Mr Tench said.

Complaints system attacked

The way the Law Society handles complaints against its members is criticized in the leading legal magazine *New Law Journal* today.

Mr Walter Merricks, a solicitor, has written in the *Journal* about a barrister's fight to recover £800 in overdue fees from a solicitor and the Law Society's decision to take no action.

The *Journal* had earlier called for an inquiry into the society's complaints procedure over the case of Mr Glanville Davies, who overcharged a client by more than £100,000.

The society is alleged to have failed to investigate a series of

complaints against Mr Davies, and the High Court is to rule on who should pay the costs of the client's action to get Mr Davies struck off.

In the case reported by Mr Merricks today, the fees had been due to the barrister for four or five years when he threatened to report the solicitor to the Law Society.

The solicitor sent the money, but threatened to withdraw all work from all members of the barrister's chambers.

The barrister referred the case to the Law Society, Mr Merricks says, but he was told it was not appropriate to take any disciplinary action.

That decision is causing concern among barristers who are worried about late payment but are not allowed to sue.

Last year the Law Society and the Bar Council agreed that solicitors who paid late should be reported to the society unless there was a satisfactory explanation.

Mr Merricks said barristers feared that solicitors would retaliate by withdrawing business, but it was argued that if every case had to be reported, barristers could not be subject to individual pressures.

The case reported by Mr Merricks will tend to confirm their fears.

Coronation Street actor dies

By David Hewson

Mr Peter Dudley, aged 47, who played Bert Tilsley in *Coronation Street*, died yesterday in the hospital where his television wife, Lynne Perrie, was taken with a heart condition on Wednesday.

Mr Dudley was written out of the programme in July because of chronic heart trouble. Mr Mervyn Watson, the programme's producer, said: "We are absolutely stunned. He will be sadly missed because he made a very wonderful contribution to the programme."



Peter Dudley and Lynne Perrie

Granada TV, which produces *Coronation Street*, denied that cast problems would disrupt schedules.

Pat Phoenix, an original cast member of 23 years' standing who plays Elsie Tanner, will leave the programme in January.

Doris Spent, aged 84, who plays Annie Walker, the publican, is in hospital with stomach trouble, and Geoffrey Hughes (Eddie Yeates) and Veronica Doran (Marion Willis) leave the programme shortly.

Pop stars on apartheid blacklist

By Richard Dowden

Elton John, Shirley Bassey, Leo Sayer and the pop group, Hot Gossip are named on a list of musicians and actors who have visited South Africa recently which has been drawn up by the United Nations Centre Against Apartheid.

The list, which is to be published in New York on Monday, is also understood to include the Beach Boys and Frank Sinatra.

One of the people involved in drawing up the list said that he hoped that countries would apply the same sanctions to those people as had been applied to sportsmen who went to South Africa and refuse their visas.

The list which is also understood to contain the names of Spike Milligan, Marti Caine, Christian Blackshaw and Peter Sarsted, contains the names of all those musicians and artists who have visited South Africa since January 1981. Most of them have appeared at Sun City the vast leisure and entertainment centre in the Bophuthatswana homeland.

But one of those named, the composer and pianist Donald Swann, went as a guest of the Christian Fellowship Trust which is connected to the Christian Institute, an anti-apartheid body founded by Dr Beyers Naude which was banned by the South African Government in 1977.

BL pays £8,000 to 'The Mole'

Mr Alan Thorne, a former British Leyland shop steward, known as 'The Mole' has been paid £8,000 in an out-of-court settlement for losing his job, an industrial tribunal at Reading was told yesterday.

Mr Thorne, of Bartlemas Road, Oxford, was dismissed as a lorry driver last November after the company discovered that his heavy goods vehicle licence had lapsed for more than four years. The company also claimed that he falsified sick notes.

Throwing light on bulb prices

The price of a standard 100-watt light varies between 29p and 69p, a National Federation of Consumer Groups survey says. The best buy was the British Home Stores' double-life bulb, which cost 18.3p per 1,000 hours of life.

The federation gives a warning that bulbs marked "for longer life" or "extended life" are not double-life bulbs, which should be marked "2,000 hours".

PC dismissed

Police Constable Robert Joll, aged 32, of Sketty, Swansea, was dismissed from South Wales police force yesterday after being found guilty of punching a handcuffed prisoner in the face. He was fined £400 by Merthyr magistrates and ordered to pay £131 costs.

£50,000 raid

Four armed men, one disguised as a woman, escaped yesterday with nearly £50,000 in payroll robbery yesterday. They threatened security guards in Birmingham who were delivering the money to a firm in Perry Barr.

LSE rejects idea to buy racehorse

By Richard Evans

Faced with spending a £10,000 windfall on a racehorse or a nursery, the students of the London School of Economics settled yesterday for a traditional British compromise, and rejected both ideas.

The refund from the Department of Health and Social Security will remain invested in Charter Trust and earn the students' union £1,100 a year.

At the best-attended student meeting for years, where paper darts rained down on speakers, voting tended to follow party-political lines.

The left vociferously supported giving the cash towards nursery facilities, while the right favoured indulgence on the turf. In the end neither achieved the necessary two-thirds majority and a decidedly boisterous "silent majority" won the day.

During an intense propaganda battle the LSE Labour group issued a pamphlet which said that the racehorse plan was, at best, a pathetic public-school wheeze and, at worst, a piece of callous manoeuvring by Tories.

The right, spearheaded by elements within *Beaver*, the students' newspaper, published a leaflet, *Vote for the Horse*, which reminded students of their expensive mistake last year when they rejected a plan to disaffiliate from the National Union of Students and to spend the money on a horse.

The horse named Caballo, won two races, trebled in value, and would have made a £10,000 profit.

Mr Martin Graham, who was behind both schemes suggested rectifying the mistake by buying Enbyur Dan, a Newmarket-trained novice hurdler with "bags of potential". His idea failed to win a simple majority.

Embryo 'doing well' after being deep frozen

By Pearce Wright, Science Editor

A description published yesterday of attempts by one of the world's leading test tube-baby teams to produce the first birth from embryos that have been deep-frozen before being implanted is certain to cause a further dispute in this emotionally charged area.

In addition to explaining how an embryo is preserved at -200C, thawed, then transferred to an infertile woman, the doctors also discuss the ethics of deep-freeze storage.

They say that if the survival periods of frozen embryos approach the number of years observed in other animals, difficulties may arise if parents disagree on their eventual destination. Patients may be asked to include in their will their preferences concerning the destination of embryos in case of death.

The options may include the donation of embryos to couples where both husband and wife are sterile.

A paper by Dr Alan Trounson and Dr Linda Mohr, of the department of obstetrics and gynaecology at Monash University, Melbourne, Australia, in the latest issue of *Nature* describes the first attempts involving 15 patients.

One pregnancy was established and lasted 23 weeks before ending in still birth in June because of an infection of the womb.

The same method has been repeated, and a second 12-week embryo, is said to be progressing normally.

In the preparation for fertilization outside the womb, patients are treated with hormones before eggs are removed from the ovary.

The preparatory treatment increases ovulation, and five or six embryos may be produced.

Mortality rate down

Social improvements and medical advances have led to a big fall in still births and infant deaths, the Greater Glasgow Health Board said yesterday.

In under 10 years deaths of children in the first week of life and born to women living in the area covered by the board have fallen from 23 in every 1,000 to 10.4 a 1,000.

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Judge in air disaster inquiry loses fight to clear his name

By David Cross and William Reeves

A former New Zealand High Court judge, whose criticism of those involved in his country's worst aircraft disaster resulted in his resignation, yesterday lost his final attempt to clear his name.

In a 30-second hearing of the Judicial Committee of the Privy Council, New Zealand's highest court of appeal, Lord Diplock announced that he and four other Law Lords would "humbly advise Her Majesty that the appeal ought to be dismissed".

Mr Peter Mahon, who led a Royal Commission of inquiry into the 1979 crash of an Air New Zealand DC-10 into Mount Erebus in the Antarctic, had asked the Privy Council to restore his costs order against the airline, which had been set aside by the New Zealand Court of Appeal.

Lord Diplock said that the judge had wrongly accused Air New Zealand of orchestrating "a litany of lies" in its evidence about the crash in broad daylight in which 257 people died.

Although the airline's evidence showed "appalling blunders and deficiencies", there were no grounds for the judge's

costs order based on his finding of "a predetermined plan of deception" by airline staff.

He added that the Privy Council's costs decision was intended to reflect "their Lordships' view that the time for bitter feelings is over", although nothing could console the victims' relatives.

Nevertheless, yesterday's 38-page ruling by the Privy Council is unlikely to be the last word on a case which has aroused more controversy than the original air crash. Mr Mahon, who insisted as one of the conditions for his resignation that the New Zealand Government should pay the bill for his appeal to be referred to London, is reported to be writing a book on his experiences and his campaign to clear his name, which provoked arguments with senior Air New Zealand executives and with Mr Robert Muldoon, the Prime Minister.

In his report into the disaster which led to his resignation, he said: "The palpably false sections of evidence which I heard could not have been the result of mistake or faulty recollection. They originate, I am

compelled to say, in a predetermined plan of deception.

They were very clearly part of an attempt to conceal a series of disastrous administrative blunders and so... I am forced, reluctantly to say that I had to listen to an orchestrated litany of lies."

Mr Mahon's conclusions were based principally on the allegation that new direction coordinates had been fed into the aircraft's flight computer without the pilot's knowledge. His order that the airline should pay NZ dollars 150,000 (about £66,000) towards the cost of the inquiry prompted the resignation of Mr Morris Davis, the company's chief executive, who said that he hoped that Mr Mahon's "irresponsible rhetoric will haunt him for the rest of his life."

Mr Muldoon, who supported the airline, maintained that some of the findings reached by the judge were not supported by the evidence. "As far as his 'litany of lies' is concerned," Mr Muldoon said, "I can see nothing in the report to support that comment."

Law Report, page 6

Housing cut 'will cost jobs'

By David Walker, Local Government Correspondent

House-builders yesterday described the Government's cut in home improvement funds as "devastating" and predicted up to 30,000 redundancies as a result.

The National Home Improvement Council, which represents manufacturers of building materials, said that repairs were very labour intensive and the Government had

declared effectively a freeze on housing improvements until 1985.

The Building Trades Employers' Federation said that there would be a substantial increase in the 400,000 workers already laid off.

City councils said that the decision to cut the Exchequer subsidy for home improvement grants and to cut their advances

would lead to further deterioration of the 5.2 million homes in England built before the First World War.

The Association of Metropolitan Authorities has calculated that it will take 900 years for the existing stock of houses in Britain to be replaced, assuming a useful life of about 60 years for each home.

Classroom reform urged by ICI man

From Lucy Hodges, Education Correspondent, Newmarket

The examination system and what children learn in schools were criticised yesterday by Mr Bob Finch, schools liaison officer for ICI, who said that without change the country would pay a heavy price.

Reform of the system was being blocked by parents and politicians, who had a touching faith in O levels, he told a training conference for deputy heads, organized by the Cambridge Institute for Education in Newmarket.

The curriculum was too narrow and children should not be taught in the present "boxes" of subjects, he said. The examination system was unsatisfactory because it labelled most children as failures and was in any case inefficient at what it attempted to do.

Mr Finch said that employers were critical of the present system. They were often much more forward-looking than the education world, and certainly much more so than they were given credit for, he said.

Parents were the key to change and had to be involved schools on a more regular basis. Conceding that it was diffi-

cult to persuade those who had done well out of present system, he said parents could be won round in the end. "Employers will be won round more quickly because there is a great deal of dissatisfaction in Marks and Spencer, BP and in the banks". This was the time to change because people could see that an education was not necessarily leading either to university, a polytechnic or a job.

"One of the inadequacies of the curriculum is that it concentrates almost entirely on the acquisition and regurgitation of knowledge", he said. What employers really wanted were people with the ability to work in a team and who were able to make decisions on limited information, such as a young girl who threw her brothers and sisters to safety out of the window when the family home was burning down. ICI needed graduates with these abilities, he said.

Mr Finch, who is member of the Hargreaves Committee looking at under-achievement in inner London, also said that schools were ludicrously under-capitalized in new technology.

Whisky case hearing adjourned

The hearing of a case in which a Crown Court judge is accused of attempting to evade customs duty on cigarettes, tobacco and liquor was adjourned by Ramsgate magistrates in Kent yesterday.

Neither the judge, Keith Bruce Campbell, aged 67, of King's Bench Walk, Temple, London, nor Alan Raphael Foreman, aged 45, of Parkside House, High Street, Wimbledon, south west London, was present.

They face three joint charges under the Customs and Excise Act, 1969.

The two men are accused of being knowingly concerned in the fraudulent attempt at evasion of duty chargeable on 9,460 cigarettes, 500 grammes of tobacco, a litre each of vodka, gin and Drambuie and 125 litres of whisky on August 21.

They are also charged with failing to make report by not flying a yellow flag after crossing the limits of the customs port of Ramsgate, and failing to deliver the relevant customs document to a customs officer.

Campaign against cruise

CND expects 200,000 on march

By a Staff Reporter

The Campaign for Nuclear Disarmament is expecting more than 200,000 supporters in central London on Saturday to launch the final stage of its struggle to keep cruise missiles out of Britain.

The protesters, who will arrive in more than 400 chartered coaches and 40 special trains, will take part in two marches from the Victoria Embankment to Hyde Park, accompanied by music and street entertainers.

The day-long protest will culminate in a rally in the park, where speakers will include such stalwarts of the peace movement as Mr E. P. Thompson, the historian, Mr Bruce Kent, general secretary of CND, and Bishop Trevor Huddleston, president of the National Peace Council, as well as Mr Neil Kinnock, leader of the Labour Party, and Mr Paddy Ashdown, the Liberal MP for Yeovil.

Mr Kent has said that the scale of the demonstration will make it clear to the Government that it had not won the argument about the deployment of cruise missiles in Britain. The issue had hardly come up during the election campaign "except in the most crude propagandist fashion".

He has conceded, however, that he is less hopeful than he was at the beginning of the year of persuading Britain and other Nato governments to abandon cruise and Pershing missiles.

The main hope lay in West Germany where the scale of this week's demonstrations showed the "extremely fluid" state of public opinion.

If, however, missiles appeared in Britain, the peace movement would make it "extremely difficult" for them to be deployed beyond the confines of their bases.

Saturday's marches and rally will have more international flavour than earlier CND protests. Representatives of the United States peace movement such as Sister Mary Luke Tobin, an anti-Vietnam war activist, will be joining the demonstration together with 70 members of the American Bread and Puppet Theatre Company, who have brought more than a ton of equipment by chartered plane to stage plays.

The marches, parts of which are more likely to resemble a carnival than an expression of discontent, are likely to choke the area between Waterloo and Westminster bridge.

The two files of protesters will leave the Victoria Embankment at about 11.30 am. They will pass Whitehall where leaders will lay a wreath at the Cenotaph.



Homecoming: Relatives and children welcoming some of the 66 political prisoners released yesterday in Argentina. They were said to be the last of more than 5,000 imprisoned in the mid 1970s.

Big Soviet offensive launched in Afghanistan

From Our Own Correspondent, Delhi

A major Russian offensive is under way in Afghanistan, according to the Western diplomats here. Soviet troops as well as soldiers of the Moscow-backed regime launched a number of big ground operations in seven provinces in recent weeks.

The provinces include Herat and Kandahar in the west and south, Kabul and the provinces to the north of it, Parwan and Laghman as well as Baghlan and Samangan north of the Hindu Kush.

The heaviest reported activity has been in the southern Shomali Valley only few miles outside Kabul, where the small town of Istafel has taken a battering from Russian tank cannon and artillery, as well as from MIGs and helicopter gunships.

The towns are famed for its lapis lazuli pottery, but recently has been the scene of fighting among two factions of the mujahideen guerrillas. Because of the feud the Afghan secret police, the Khad, have been able to prepare lists of guerrilla houses in the town and Soviet troops have been calling on houses on the list.

According to a refugee from the town who is quoted by a Western embassy, when the soldiers arrive they pour petrol into each room of the house and then set a torch to it.

Several sources say that four in every 10 houses in the town have been destroyed, and one told Western diplomats that you can smell rotting bodies buried in the rubble from far away.

Other sweeps are being carried out west and south of Herat city, where regime troops have suffered badly recently. The 17th division of the Afghan Army has been deployed on the operation, with apparently only a few troops left behind in the city to guard government buildings.

After recent attacks on convoys south of the city, the partial destruction of a dam to the west, and attacks both inside the town and on the road to the airport, the Government has been trying to relieve the pressure by building a series of fortified posts along the road leading to Islam Qala on the border with Iran.

Opposition blamed - then asked to help Mrs Gandhi's olive branch

From Michael Hamlyn, Delhi

Garlanded with carmine seeds, and draped in a brilliant yellow sari, Mrs Indira Gandhi gave new impetus yesterday to the growing campaign to make her appear the only Indian politician capable of leading the country through the next five years.

With her status as an international statesman established by her chairmanship of the Non-Aligned Movement, reinforced by her descent on the United Nations General Assembly for a mini summit, and shortly to be consecrated by the commonwealth heads of government meeting in Delhi, she is now turning to the domestic political scene.

At the weekend she gave a press conference which lasted for more than two hours during which she dwelt almost exclusively on internal affairs, attacking the opposition, and virtually blaming them for the unruly state of parts of the country.

Yesterday however, she held out the olive branch of peace to them urging them to forget their political differences and to cooperate with the Government

Giving a 40-minute speech at the opening of a two-day party conference in Bombay, she said she was not itching for a confrontation with the opposition. Her party had an absolute faith in democracy, and recognized the relevance of the need for opposition, she said, but she managed to get a few heavy digs at them all the same.

Their present "totally negative" role would only strengthen the communal, casteist and separatist forces.

She made a skilful link between the opposition meeting recently in Srinagar in the Muslim state of Jammu and Kashmir, and some ugly incidents which took place at a one-day fast march there in which pro-Pakistan demonstrators stoned players on the field.

It was the opposition's hate campaign against the central government, she said, that emboldened those elements to surface. She also took a swipe at the Kashmiri Chief Minister, Dr Farooq Abdullah, who failed to condemn the incident quickly enough for her taste.

But when her loyal audience followed cries of "abame" with a call to bring down his ministry she quickly stayed them saying: "This is not the way to dismiss a government."

She blamed the Sikh political party, the Akali Dal, for the continuing stalemate in Punjab State. "It no longer appears to be a confrontation with the government but a conflict within themselves," she said, explaining that the extremists were preventing the moderates from agreeing to any viable solution.

The meeting of the All-India Congress Committee got off to a ragged and bad-tempered start when several senior dignitaries of the party had a hard time getting into the hall because of stringent security precautions. Mr Y. B. Chavan, a venerable party figure, was kept out and nearly trampled underfoot by a stampede. The Chief Minister of Gujarat and the party chief of Rajasthan were both jostled badly and were heard complaining crossly: "Is this the way to welcome guests?"

12 more die in Sind village clash

From Hassan Akhtar, Islamabad

Twelve people were reported killed in an armed encounter between police and villagers at Lakhrot Jatoi, a village on the national highway in Nawabshah district of Sind which has been at the centre of many anti martial law clashes resulting in scores of deaths since August 14.

The official news agency described the clash as an operation "to eliminate concentrations of Dacoits and lawless elements" and said that only one "armed civilian" died.

The English-speaking newspaper *Mirator* however gave the figure as 12, and said several others were injured. It said three frontier policemen who were seriously hurt were taken to hospital.

The official report said police used tear gas and fired after the Dacoits refused to surrender and fired on the police, wounding four of their men. About 100 arrests were made and several weapons seized.

Iranian forces launch midnight offensive

Tehran (AFP) - Iranian troops continued to advance deep into Iraqi territory yesterday, killing "hundreds" of troops in an offensive named Dawn Four, according to a joint communiqué by the Iranian armed forces and Revolutionary Guards.

The attack, launched at midnight in the Kurdistan border area, "completely cleansed" Iraqi territory on the Shahr River between Banah and Marivan, two Iranian towns which have been repeatedly shelled.

Tehran radio said five Iraqi bases had been destroyed and the Louille and Kangarak highlands taken. According to an earlier report, one goal of the offensive is to sever the link between the Iraqis and their Iranian Kurd supporters.

● BAGHDAD: Iraq said yesterday that its First Army Corps had started to repulse a new Iranian offensive in northern Iraq.

Moi frees two more Kenya detainees

From Charles Harrison, Nairobi

Two more detainees held after a wave of political dissent and an abortive coup attempt here last year were freed yesterday.

The release of a Nairobi University law lecturer, Mr Willy Mutunga, and the head of the university electrical engineering department, Professor Alfred Otieno, was announced on Kenya Day - anniversary of the day on which the late President Jomo Kenyatta was arrested and detained by the colonial authorities here in the days of the Mau-Mau rebellion in 1952.

Weathermen blamed for ships trapped in ice

From Richard Owen, Moscow

Moscow yesterday began to count the cost of the Arctic ice emergency, *Pravda* said that the crisis never have arisen. In an unusually frank analysis, the newspaper blamed incompetent weather forecasting and the antiquated Arctic cargo fleet.

Pravda disclosed that some 90 vessels had been trapped in the ice three weeks ago - more than previously thought - but only 50 had become totally immobilized. Of those, 35 are still trapped. One cargo ship has sunk and some are sinking as the ice crushes their hulls. But

others been led safely by icebreakers.

Scientists have been flown to the rescue operation headquarters at Pevek, on the Sea of Chukotsk, from the Arctic Research Centre in Leningrad to help icebreakers to spot potential cracks in the ice.

Pravda said that the sudden fall in temperature which had caused the crisis had not been predicted by meteorologists, who had assured Merchant Marine officials that the north-east Siberian coast would remain ice-free in early October.

Phone and dry: A driver in Lubbock, West Texas, telephoning for help when he was stranded after 6.1 in of rain fell in 24 hours.

Brazilian wages decree imposed

By Our Foreign Staff

President João Figueiredo of Brazil has issued a new wages decree after Congress threw out a previous one to limit pay rises.

Just before the Congress voted he invoked emergency powers in the capital to curb prices.

The vote went 260-3 against the Bill, which would have limited all rises to 80 per cent of the official cost-of-living index.

Scores of people in a country where inflation is running at anything between 120 and 200 per cent, had been camping out in protest for days.

The Bill was a crucial part of a programme agreed with the International Monetary Fund to help to rescue Brazil from its \$60bn foreign debt on which it owes about £1.5bn alone in overdue interest payments.

The President, faced with Congress's refusal to ratify the Bill, immediately issued his new decree which goes some way to meet opposition demands from rebels within the government party (the PDS Social Democrats Party) and the opposition PMDB Brazilian Democrats Party and the other small parties.

The new decree evidently will allow low wage earners earning less than about £70 a month

Money target

The key parts of the IMF-agreed programme are:

- Reducing down inflation to a monthly rate of 2.5 per cent by the last quarter of 1984
- Cuts in government spending to reduce the public sector deficit as a proportion of output from 6 per cent in real terms in 1982 to 2.7 per cent this year and a small surplus next year
- Further measures to improve the balance of payments through import cuts and higher exports. Brazil is expected to increase its trade surplus by \$9 per cent to \$6bn in 1984 and reduce its current account deficit to \$4bn.

risers keeping pace with the cost of living index. The higher paid, however, will get rises below the index rate.

The Government, which is to try to negotiate the new decree through Congress, hopes that it will meet the approval of the IMF.

The state of emergency in the capital prohibits public meetings, allows detentions and raids on people's homes without a warrant and restrictions on unions and professional associations.

The measures enforceable by the local military command for 60 days expressly do not include censorship but they are clearly designed to put pressure on Congress to think carefully before rejecting the latest decree on wage rises.

The measures needed, according to the Government, to isolate Congress from "agitators" came as no surprise and many senators and deputies had been expecting worse.

Colombo judges overturn ruling on loyalty oath

From Donovan Moldrich, Colombo

A nine-judge bench of the Supreme Court yesterday held by seven to two that they and the judges of the Court of Appeal had at no stage ceased to be officers. The Attorney General had ruled on September 8 that the judges had given up office by failing to take an oath disavowing separatism before the President of Sri Lanka, who had appointed them.

The judges had taken their oaths before each other. As a result of the Attorney General's ruling, the Supreme Court and Court of Appeal were closed for a week and armed guards were posted at the judges' chambers. The judges were able to resume their duties only after they took the oath before President Jayawardene who then announced in a press statement that the judges had been "reappointed".

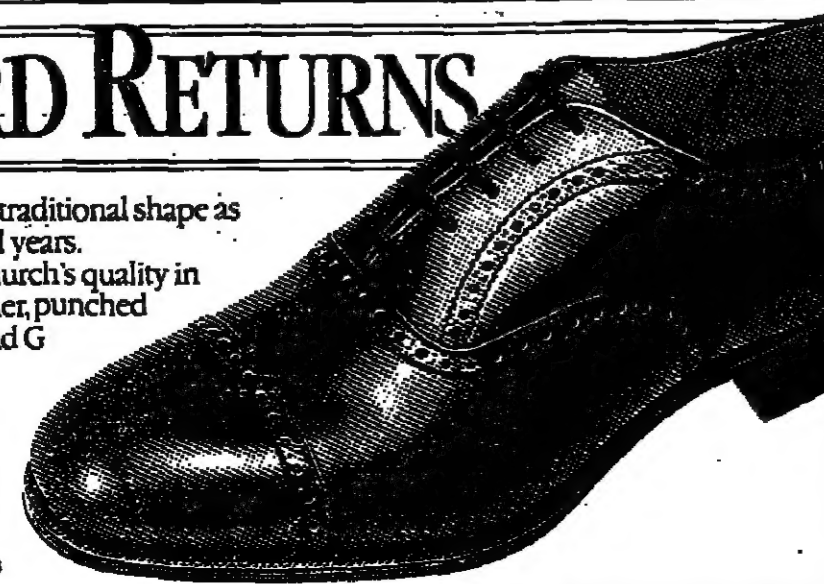
When court hearings were disrupted the Chief Justice, Mr Neville Samarakoon, and four other Supreme Court judges were hearing an appeal by the publishers of the *Saturday Review* against its closure by the Government. When hearings were resumed Mr S. Nadesan, QC, appearing for the *Saturday Review* argued that the judges were in order in taking their oaths before each other.

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Weathermen blamed for ships trapped in ice

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Soho What?

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75p weekly. A subscription starts from October 21st for eight weeks.

Reagan pledges to stay course on Middle East and Euromissiles

From Nicholas Ashford, Washington

President Reagan, exuding confidence and looking increasingly like a man bent on seeking reelection, has pledged that the US will maintain a firm course in the Middle East and Central America, ensure the free flow of oil from the Gulf and deploy intermediate-range nuclear weapons in western Europe on schedule.

Addressing the twentieth press conference of his Administration on Wednesday night, the President vowed that American marines would remain in Beirut despite renewed attacks against them and accused Syria, "aided and abetted by 7,000 Soviet advisers and technicians", of trying to destroy the chances of stability in Lebanon.

He said the Syrians were contributing "disorder and trouble" in the region by deliberately "dragging their feet" because they believed in a Greater Syria that would include much of Jordan and Lebanon. "Now, if they're doing it with the idea of wearing us down they are going to be disappointed," he added.

Most of the questions during the 35-minute press conference dealt with foreign affairs, the majority with the Middle East, reflecting growing public concern about the casualty toll among the 1,600-strong American contingent in the Multinational Force. Six US marines have been killed in recent weeks.

"As long as there's a possibility of making the overall peace plan work, we're going to

stay there", the President declared.

On domestic issues he claimed that the first 1,000 days of his Administration had brought about "great strides" in the economy and that a strong recovery was sending Americans back to work.

This is expected to be the central theme of his reelection campaign next year. But the President gave no clues about whether he would definitely seek a second term except to say that he would make up his mind before his seventieth birthday next February.

He also reluctantly promised to sign the Martin Luther King Holiday Bill approved by the Senate on Wednesday, but caused some surprise when he carefully avoided denying charges that the late civil rights leader had been a communist sympathizer.

President Reagan's pledge to keep US Marines in Beirut came hours after a fresh amphibious unit of 1,800 left for the Mediterranean to replace those now on duty.

Rejecting suggestions that the Marines should be allowed to deploy beyond their present positions around Beirut airport he nevertheless reassured questioners that they would always defend themselves and he would provide that defence.

President Reagan, who has been conducting a top level review of Middle Eastern policy this week, emphasized that his September 1982 peace initiative

remains in place but that progress hinges on resolving the deadlock in Lebanon.

Referring to the Iran-Iraq conflict he said the West would not allow Iran to carry out its threat to close the Gulf to oil traffic if Iraq uses recently-acquired French aircraft. However he would not say what action the US might take if the Iranians closed the Strait of Hormuz.

On Central America, the President broadly defended the right of the US Administration to use covert action "when it believes its interests are best served".

His remarks, which coincided with a similar statement by Mr George Shultz, the Secretary of State, came on the eve of a Congressional debate on whether to cut off covert US aid to Nicaragua.

● LONDON: Mr Richard Luce, Minister of State at the Foreign Office, called on Israel and the Arab states to reconsider President Reagan's Middle East peace proposals yesterday (Henry Stanhope writes).

Britain still strongly supported it as the best basis for discussion, he told the Diplomatic and Commonwealth Writers Association in London.

Mr Luce, who is visiting Israel, Jordan and Egypt early next month, also reaffirmed British belief in the European Venice Declaration and its two main principles - Israel's right to exist and the Palestinian right to self-determination.

A shocked Caribbean was

puzzling yesterday over how the political crisis in Grenada could have escalated so quickly and violently.

What had been carefully represented by the ruling New Jewel Movement as a conflict between the party and the Prime Minister, Mr Maurice Bishop, over party discipline and personal power exploded suddenly into a bloodbath, with far-reaching implications for Grenada and Caribbean politics.

The differences between Mr Bishop and his deputy, Mr Bernard Coard, were about tactics and timing rather than basic ideology. The issue that led to the confrontation may have been constitutional reform and when and how to organize some form of elections.

Mr Bishop had been under strong pressure at two recent Caribbean Community summit meetings to proceed quickly to a new constitution and open the way for elections.

Earlier this year, on a trip to the US seen as a gesture of conciliation in the face of American hostility, Mr Bishop announced a constitutional commission to begin public hearings soon.

He had been trying to give a more positive international image to the revolution and secure economic support for a continued role for the island's private sector.

Mr Coard and his Jamaican-

Enigma of Caribbean bloodbath

Power struggle in Grenada

From Jeremy Taylor, Port of Spain

Grenada: The facts

Population: 115,000, mostly of African descent. Language is English, religion Roman Catholic with Protestant minority. Area: 133 sq miles. Capital: St George's, founded in 1705 by French settlers. Economy: Dependent on tourism, agriculture. Main exports are cocoa, nutmeg, bananas. GNP (1980), \$30m (£53m), per capita income \$870 (£580). Unemployment (1983), 14 per cent.

Armed forces: A 1,000-strong People's Revolutionary Army.

Mr Bishop may have played straight into his enemies' hands by leading the crowd that freed him into St George's, apparently believing everything would fall before him.

Mr Coard, aged 39 is a political science and economics graduate of Brandeis University in the United States, and took a Master's degree in comparative political economy from Sussex University, after which he taught in Britain and lectured at the University of the West Indies. When he returned to Grenada, he ran the Organization for Revolutionary Education and Liberation, which taught Marxism-Leninism.

According to some reports, Mrs Coard and their two children left Grenada earlier this week and Mr Coard had already dismissed several army officers loyal to the Prime Minister when Mr Bishop returned from a trip to Hungary and Czechoslovakia just before the crisis.

Mr Coard and his Jamaican-

How US misread island signals

From Nicholas Ashford, Washington

The Reagan Administration yesterday expressed its "grave concern" about the bloody coup on Grenada. And well it might as the political situation on the tiny Caribbean island has turned out in exactly the opposite way that Washington had hoped.

Washington, concerned by the links which Mr Maurice Bishop, the murdered Prime Minister, had developed with Cuba and the Soviet Union, had sought to bring the island state to heel by cutting off economic aid and reducing diplomatic ties to a minimum.

America saw the tilt to the left which had taken place since Mr Bishop seized power in 1979 as part of a broader pattern of encroachment in the Caribbean and Central American region.

Grenada was frequently mentioned by American officials in the same breath as Nicaragua as counties which posed a threat to the stability of the region.

In a speech earlier this year President Reagan warned that "Grenada bears the Soviet and Cuban trademark, which means it will attempt to spread the virus among its neighbours."

The main object of American concern was the new airport, with its 10,000 ft runway, which is being built on the island. Mr

Bishop said the airport was needed to accommodate jumbo jets carrying tourists from America and Europe. Tourism provides the island with its main source of foreign exchange.

The Americans, however, feared the airport could be used by the Soviet and Cuban Air Forces. Mr Reagan showed aerial photographs of the airfield during a televised address he made to justify his hardline policy towards central America and the Caribbean.

Because Washington was so convinced that Grenada had fallen completely under the influence of Cuba and the Soviet Union, it failed to recognize Mr Bishop's vain attempts earlier this year to improve relations and to tilt his country in a more pro-Western and less socialist direction.

He twice wrote to Mr Reagan seeking a meeting but his letters went unanswered. Eventually he visited Washington in June but had to wait more than a week before anyone in the Administration would see him.

He finally managed to see Mr William Clark, then the National Security Adviser, and Mr Kenneth Dan, the Deputy Secretary of State. However, the talks did not change American attitudes.

Caribbean outraged

Bridgeport, Barbados (Reuters) - Caribbean Governments and politicians reacted with shock and outrage to Grenada's army takeover.

The Prime Ministers of Barbados, Mr Tom Adams, described the island's new rulers as disgusting murderers and barbarians, and said he would not be sitting down with them in meetings of Caricom, the Caribbean common market.

Jamaica's Prime Minister, Mr Edward Seaga, also said he would not take part in any Caricom meetings with Grenada's new rulers, whom he called murderers.

Antigua and Barbuda, as chairman of Caricom's standing foreign ministers committee, has called for and urgent meeting of the grouping.

The Jamaican Socialist opposition leader, Mr Michael Manley, a personal friend of the murdered Grenadian Prime Minister, Mr Maurice Bishop, described his killing as a squalid betrayal of the hopes of the ordinary people in the region.

In London, the Commonwealth Secretary-General, Mr Shridath Ramphal issued a statement saying: "I share the sense of horror widespread throughout the Commonwealth... I feel sure that Commonwealth Governments... will wish to use every influence... to ensure that the will and the interests of the people of Grenada are respected..."

Europe prunes budget by £283m

From Ian Murray, Brussels

Tough, "good management" measures are now being followed by the European Commission to save as much as £283m from this year's EEC budget. In tandem with a series of decisions now likely to be taken by the European Parliament, they increase the pressure on governments to agree to important reforms to Community financing by the end of the year.

There was no question when the Commission met late into Wednesday evening to decide what to do about the cash flow crisis that every one of the 14 members was acutely aware of the urgent need to do something to make sure the Community budget would last out the year. In the end it was decided to exploit the crisis by making provision to save twice as much as might be needed.

The main measure approved was, as expected, the continuation of the freeze on the payment of some premiums, storage and export refunds, which had first been brought in on Tuesday of last week. This can be lifted if finances improve radically, but by the end of the year it could mean savings of as much as £121m from this year's budget. In all events the money would still have to be paid to traders, but only out of next year's budget.

In addition to this there is likely to be the saving of £50m, more than 80 per cent of which would go to Britain, of the ever premium, which is normally paid in early December. This is now likely to be paid in January, but the Commission intends to propose ending the present system of advance payment in favour of the cheaper method and asking for it to be paid at the end of the season in arrears.

All the other measures being introduced can be extended indefinitely and all represent real savings which the Community can make. The largest part of these is the £82m being pruned by dint of a different method of assessing losses on scarce intervention - a measure which has been under study for some months.

There could also be permanent savings made by the decision to reduce the interest paid to member states to finance intervention stocks from 9 per cent to 8 per cent. This will save £2.5m this year and could save as much as £22m in a full year.

The other idea being introduced will reduce the amount of skimmed milk powder being sold off to be mixed into pig and poultry feed. This is a very expensive method of eating up the dried milk powder mountain, costing 70 per cent of the intervention price.

Reducing the amount sold for feed will save some £27.5m this year, although it is unlikely that it will be extended for too long as it will mean that the surplus of powder will keep on growing.

This saving for 1983 of £283m is well in excess of the £156m shortfall in expenditure which is being forecast. But it is hoped that this stringency will force member states to realize they can no longer go on expecting the common agricultural policy to go on being paid out in full as in the past.

Fear of fishing chaos as Dutch torpedo deal

From Our Own Correspondent, Brussels

"This could mean anarchy in Community waters" - that was the gloomy verdict in Luxembourg early yesterday, the Belgian Minister for Fisheries, after another 14 hours of talks on the herring share-out in the North Sea ended in deadlock.

Precisely at midnight Mr Giorgos Contogeorgis, the Fisheries Commissioner, had admitted there was not point in going on with the argument. The digital clock in the room showed "00:00". "Look at that", said one of the delegates, "the clock shows exactly what we have achieved".

Mr Michael Jopting, the British minister, contrived to remain optimistic despite the fact there have now been six fruitless attempts to reach agreement on the problem, which is crucial to the completion of the common fisheries policy. "There was no shortage of will to reach agreement", he said. "We were closer than ever before".

But the fact remains that The Netherlands - not normally one of the more militant member states - refused categorically to accept a herring deal which would have ended the destruc-

tive quarrelling over the 10-month common fisheries policy. As a result, the search for agreement on quotas of all species for this year - already long overdue - has become an academic exercise. If things continue at this speed, the industry could find itself in 1984 still using the 1982 figures, with serious long-term effects on conservation of stocks.

The next meeting on the problem is not likely until mid-December, and there is already strong pressure from the British industry for that meeting to make a start on agreeing next year's figures, ignoring 1983 - the year in which the CFP was signed.

The long uncertainty has led to the Belgian fears of anarchy on the high seas, with fishermen finding it very difficult to take seriously any form of control based on quotas demonstrably out of date.

Scientific evidence indicates that the herring stock is growing very quickly indeed, after the six-year ban on conservation grounds. Fishermen report they are catching more than at any time since the bonanza years of the early 1960s.

Lebanese leaders ready to talk peace in Geneva

From Robert Fink, Beirut

As Lebanese troops in the hills above Beirut came under renewed artillery fire yesterday, all but one of the political leaders invited to discuss the future of their country were reported to have agreed that the first session of a national reconciliation conference should be held in Geneva.

Only old Mr Pierre Gemayel, leader of the right-wing Christian Phalange Party, had failed by yesterday evening to consent to the latest venue, though it will almost certainly be forthcoming since he is the President's father.

Government officials were saying privately that the talks would probably be held in the United Nations Centre at Geneva, a location far enough removed from Beirut in geography and political temperature for the participants to create the framework of a new Lebanese constitution.

Mr Walid Jumblatt was the first to suggest Geneva as the venue; the Swiss city contains a great number of fine restaurants, but the other seven participants are at a loss to

Israeli run on shares predicted

From Christopher Walker, Tel Aviv

The Israeli Government is launching a nationwide publicity campaign to try to avert a stock market crash when Tel Aviv exchange opens again next Monday for ordinary trading.

Addressing an emergency meeting of Israeli newspaper editors, Mr David Levy, the Deputy Prime Minister, has given a grim warning that a collapse of the Stock Exchange and of the banking system would endanger the very future of the state.

The Treasury and the main commercial banks had devised an elaborate scheme designed to prevent the 600,000 bank shareholders rushing to sell them when the market reopens.

After being closed for two weeks, the Tel Aviv exchange - often referred to as "the national casino" because of its popularity as a potential hedge against 130 per cent inflation - opened yesterday for trading in bonds only.

Bonn wary of Soviet blackmail

From Michael Binyon, Bonn

Bonn yesterday gave a warning that the Soviet Union's relentless build-up of its military forces could subject the West to political blackmail unless it took urgent steps now to restore the military balance.

These included the deployment on schedule, if necessary, of new Nato missiles to counter the Soviet monopoly in medium-range nuclear weapons. Nato had also to improve its conventional forces, which at present were only "just sufficient" for effective forward defence.

The warning was included in a 265-page White Paper outlining long-term defence policy. It minced no words in detailing the threat from the Soviet Union, its expansionist philosophy and present military superiority which increasingly threatened the West's political and economic interests throughout the world.

The paper's publication, two days before the huge rallies planned by opponents of Nato missile deployment, is a clear attempt by the Government to sway the public argument, and



Brussels protest: Fran Katharina Focke (centre right) a former West German Cabinet Minister protesting with other MEPs over the deployment of Nato missiles.

in the words of Herr Manfred Wörner, the Defence Minister, to make up for public ignorance and the one-sided and misleading views of security policies now being spread throughout Germany.

Bonn's "peace policy" did not threaten anyone and was intended solely to guarantee peace in freedom and independence, he said. It included readiness for dialogue and cooperation with the East, and arms control agreements aiming at the lowest possible level of armaments.

By contrast, the Russians saw military power as a "tool for achieving the objectives of their

power policy regardless of what other countries may want". Herr Wörner stated that there was no actual danger of war in Europe at present. The real hazard lay in Soviet readiness to use military force, directly or indirectly, as a means of policy.

Herr Wörner told a press conference that credible deterrence was still the only way of ensuring freedom for the foreseeable future. He was not eager for the new Nato missiles, but there was no returning to the days of nuclear innocence.

Nato was still able to stop an attack by the Warsaw Pact, but only just, the White Paper said. Any further reduction in its

forces would undermine this capability.

The White Paper said, that peace in freedom had its price: Germany was increasing its defence budget next year by 3.2 per cent to a total of DM58,950m (£14,740m).

● GENEVA: The Soviet chief delegate at US-Soviet talks on limiting nuclear missile forces in Europe, Mr Yuri K-vinsky, said yesterday that the negotiations had no prospect for success though they would continue for the time being (Reuters reports). "We will keep talking as long as it is necessary, as long as there are prospects", he said.

Mr Callaghan, who is on a week-long visit here, made the remark during talks with Mr Boris Ponomarev, a candidate Politburo member.

Mr Callaghan said that the term "Iron Lady", although meant to be complimentary, had been turned to political advantage by Mrs Thatcher. Mr Callaghan remarked jocularly that if the Kremlin had not intervened in 1979 he might have continued as Prime Minister. Mr Ponomarev, who is not known for his gift of spontaneous repartee, did not respond.

Russians not amused by Callaghan quip

From Our Own Correspondent, Moscow

Mr James Callaghan has told the Russians that they cost him the 1979 election by coining the epithet "Iron Lady" for Mrs Thatcher.

Mr Callaghan, who is on a week-long visit here, made the remark during talks with Mr Boris Ponomarev, a candidate Politburo member.

Mr Callaghan said that the term "Iron Lady", although meant to be complimentary, had been turned to political advantage by Mrs Thatcher. Mr Callaghan remarked jocularly that if the Kremlin had not intervened in 1979 he might have continued as Prime Minister. Mr Ponomarev, who is not known for his gift of spontaneous repartee, did not respond.

Diplomats said that reports of Mr Callaghan's recurring illness and doubts about his Bulgarian visit might be used by Politburo opponents to underline his two-month disappearance from public view.

Andropov's Sofia visit in doubt

From Richard Owen, Moscow

Speculation about the health of President Yuri Andropov increased yesterday as doubts grew about his impending visit to Bulgaria.

Soviet officials had earlier let it be known that Mr Andropov would visit Sofia in the "second half of October". Officials hinted that he would use the visit - planned for next Tuesday - to make an important speech on East-West issues. Diplomats said that he might launch Geneva.

Moscow has said that it might walk out of the Geneva talks on medium range missiles. Warsaw Pact foreign ministers meeting in Sofia last week said that Russia would continue the talks provided Nato did not deploy new American missiles in Europe in December.

Observers feel that Mr Andropov will have to make a

strong public statement for the sake of his political credibility. Yesterday, however, East European sources said that the Sofia visit was no longer certain. A Foreign Ministry official, asked about the reports, said that the Bulgarian visit was "news to me". East European sources said that a proposed visit to Moscow by General Wojciech Jaruzelski, the Polish leader, was also in question.

As no firm announcements about either visit have been made in the Soviet press, announcements of their cancellation are not likely.

The reports have none-the-less raised eyebrows in Moscow and have revived questions over Mr Andropov's health. He has not been seen in public since August, when he received US Democratic senators. He made no statement about the Korean airliner crisis

until the end of September, when he referred to it in the course of a response to President Reagan's latest arms control proposals. The response, which was bitter in tone, was read on television by an announcer, and no pictures of Mr Andropov appeared.

In a curious slip reminiscent of President Brezhnev's final days a year ago, the announcer inserted a passage on Warsaw Pact maneuvers which bore no relation to the rest of Mr Andropov's statement as published in the press. Broadcasting authorities are reported to have been reprimanded.

Diplomats said that reports of Mr Andropov's recurring illness and doubts about his Bulgarian visit might be used by Politburo opponents to underline his two-month disappearance from public view.

Lucky Jim

How you'll envy him when he solves Kingsley Amis' question in the Great Spector Car Chase Competition and wins the mint condition 1934 Daimler limousine that's first prize

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THE ARTS



Voluptuous and sinister: Sinead Cusack, David Bradley

Theatre

The Custom of the Country
The Pit

Taking his title and his starting point from Beaumont and Fletcher, Nicholas Wright defines the custom in question as the *droit de seigneur*. A young man in a strange land proposes marriage to a local girl; the ruler then claims his pre-nuptial rights, and the pair take flight into the separation and adventures that make up the rest of the play. In Mr Wright's case, the land is the Zambesi Valley in the 1890s, and his young Englishman falls for a black girl.

Theatrically, Africa instantly conjures up the spectre of post-apartheid racial guilt, and the first reason for welcoming Mr Wright's play is that it sheds that load and presents the country in an age of innocence. Even the feudal chief, thanks to centuries of intermarriage with traders, thinks of himself as Portuguese. And Johannesburg, where most of the adventures take place, comes over as a Wild West town, with booming brothels and goldmines and room for every kind of eccentricity. True, the scene is frequently darkened by David Bradley as a sinister doctor with white supremacy aims and plans to lead a pioneer column into the hinterland. But all that lies in the future; and within the limits of his story, Mr Wright accurately describes it as a romantic comedy.

One rule of this form is that motive is not to be inspected too closely, which is convenient for Mr Wright, who gives no reason for the arrival of Roger du Boys at his brother Paul's Zambesi mission; nor why Paul, once he has fled with the beautiful Tendai, makes no further reference to his missionary calling. It is enough that things happen and characters

are clearly defined. Here is the voluptuous Mrs Bone (Sinead Cusack) running a chain of brothels in enigmatic partnership with a Jewish scholar (Bruce Myers). Here is a Transvaal farmer's widow who has struck gold, but lost her son Willem to the evils of night life. By degrees they are all enmeshed in the picaresque plot that finally leads to the lovers' reunion.

The main plot device is the separate arrival of Paul and Tendai in Mrs Bone's house in the respective roles of lover and maid. This side of the intrigue drags along in the weary certainty that, when one of them goes out, the other will come in. It is in the second half of the play, with all its elements in simultaneous motion, that the piece really takes off, and reveals other customs beyond that of the title. There are some extraordinary confrontations: as where Roger, having shot Willem in self-defence, is left alone in a darkened room and witnesses the mummified body return to life; whereupon the two of them return to the bereaved widow to whom Roger proposes marriage. "I'm a very good shot," he says, as a recommendation.

There are chillingly comic death scenes, such as a poisoned chocolate suicide pact between the brothel keepers ("I'm not cheating; the wrapper's stuck") who then reappear as elegantly benevolent ghosts at the concluding diplomatic banquet.

David Jones directs the piece on a square of sand backed by paneled doorways and two breast-like dunes: an apt image by Ralph Koltai for the play's success in pulling different worlds together. In a production mainly bent on action, Sarah Kestelman's imperious Afrikaner widow and Josette Simon's nobly statuesque Tendai take the breath away.

Irving Wardle

Mickey's Christmas Carol (U)

Odeon Leicester Square

La traviata (U)

Odeon Haymarket

Malvinas: A Story of Betrayals

ICA Cinema

National Lampoon's Vacation (15)

various cinemas

Class (15)

Leicester Square Theatre

Bullshot (PG)

Classic Haymarket

The comeback of Mickey Mouse after more than thirty years' absence from the screen is an event of moment to mark the Disney diamond jubilee. In 1939 Lewis Jacobs, in his classic *Rise of the American Film*, called Mickey "the most universal movie idol besides Chaplin that has captivated through laughter the hearts of the world". Of Mickey's creator Jacobs could then write: "Disney has made the animated cartoon perhaps the finest expression of motion picture art in contemporary America... He has done more with the film medium since it has added sound and colour than any other director, creating a form that is of great and vital consequence not only for what it is but for what it portends."

Since Jacobs wrote, time and fashion have eclipsed or at least obscured the achievement and the regard which were Disney's at the time of the Second World War. However tastes may change, though, the excellence of Disney animation can never be in doubt. *The Jungle Book* (which is reissued in the programme with Mickey's Christmas Carol) is still unsurpassed for the sheer craft quality of the character animation.

Nor have Mickey's fame and popularity diminished in the years since he left the screen in 1952. He was born in 1928, but his personality - naive, gallant, incorrigibly optimistic - belongs supremely to the New Deal era. He could easily have played one of the Capra heroes - Mr Deeds, or the Mr Smith who went to Washington. As it was, in his time and through 118 cartoons, he tried his hand at a good many of the occupations of the ordinary American. Mickey was taxi-driver, farmer, deck-hand, teamster, trapper, tailor, detective, magician, plumber, musician, sailor, cowboy, jockey, boxer, skater, scientist. He was exiled from pre-war Yugoslavia for being anti-monarchist, and banned in Nazi Germany for disrespect to the Ullan helmet. Like millions of his compatriots he managed to be a Roosevelt man in his youth without ever compromising his inbred Republican loyalties.

Cinema

Unbeatable against all the odds



Honest and cheerful: Mickey Mouse as Bob Cratchit

From time to time he was opera singer, circus performer, impresario and actor; and it is as an actor-star that he reappears in *Mickey's Christmas Carol*, type-cast as cheerful, honest Bob Cratchit. It is a measure of the potency of the characters created at the Disney studios that they can be put into dramatic roles just like other movie stars; and like their human counterparts their own star personalities modify the characters they play.

It is this which gives *Mickey's Christmas Carol* the charm of irreverence. Donald's Uncle Scrooge McDuck, a character who has figured more often in comic books than cartoons, creates an odd Hibernian Ebenezer Scrooge. Cratchit is an outrageously clumsy Marley's Ghost, who spoils his own spectral *mise-en-scène* by tripping over things and tumbling downstairs. Jimmy Cricket is the Ghost of Christmas Past, and Pegleg Pete, a villain now remembered only by the very oldest Disney fans, is the cigar-chewing Ghost of Christmas Yet to Come. Donald (50 next birthday, and still with his original voice, Clarence Nash, who is now 79 years old) plays gallantly against type as

Scrooge's happy-go-lucky nephew Fred. But even in a secondary role it is Mickey, still facing all the odds with undefeatable cheerfulness and good will, who remains the indubitable star.

"I've been a bad woman," said Fanny Brice in her celebrated interpretation of *La Dame aux camellias*, "... but such good company!" Violetta, in Franco Zeffirelli's somewhat abbreviated film production of *La traviata*, must have been exceedingly good company, in days of more robust health, to have earned such palatial lodgings. Zeffirelli follows his master Visconti not only in his passion for dazzling displays of opulence, but also in conceiving *La traviata* in flashback from Violetta's deathbed. These framing scenes are visually the most impressive of the film, with the cameras roaming disconsolately through the lowering blue light of her despoiled and shrouded apartments.

Once back into the gayer past, and a complication of flashbacks from flashback, the film becomes pictorially more commonplace. The over-busy zooms and dissolves, the rather pedestrian cutting of image against score, often

give the film the look of an Austro-German television opera production, even if the sets and camerawork (Ennio Guarnieri) have more style.

Others will judge the musical significance of the production. Zeffirelli undoubtedly excels in giving psychodramatic credibility to romantic opera. It is possible to believe in both the desirability and the frailty of Teresa Stratas's Violetta; and Plácido Domingo's Alfredo is all the more interesting for being a sophisticated man of the world rather than a callow, head-over-heels youth. Like his counterpart in Dumas, Germont can easily seem merely a monster, but Cornell MacNeil (hurling and locking remarkably like Orson Welles) manages to suggest that he is moved by some coherent moral system of his own.

To see ourselves as others see us! It was free money a blunder free us...

The far-left viewpoint of *Malvinas: A Story of Betrayals* gives it the merit of a wholly impartial antipathy for both antagonists in the Falkland adventure. The film marshals a lot of unfamiliar documentary footage and a very broad spectrum of comment, from both countries. Its principal conclusion is that, legal issues apart (and neither British possession nor Argentine aggression wins juridical support), the short-term interests of Mrs Thatcher and General Galtieri were identical. Both led administrations that needed a boost to national pride to offset shaky domestic morale. Only one could win, and did; though the suggestion is that, while Britain continues to pay the bills, Argentina was not entirely the loser since the failure of the gamble brought down her military tyranny. Irrespective of viewpoint, it is a highly intelligent essay.

National Lampoon's Vacation, directed by Harold Ramis from a screenplay by John Hughes, marks a happy graduation from foregoing *N.L.* forays in the field of institutional education. It is a darkly comic road film, with an average Chicago family (Chevy Chase, Beverly d'Angelo and, as their children, Anthony Michael Hall and Dana Barron) crossing the country to visit a Californian fun park. Their misfortunes recall those which W. C. Fields encountered on a similar safari in *It's a Gift*. It is low comedy, but appealing in its acerbity.

Class is definitely lower - a high school comedy with a sour twist. There is the usual frantic pressure on the first-year student to lose his virginity; the trouble is that he succeeds with his room-mate's mother. Oedipus is not in it, but none of the psychological implications is ever pursued; the end suggests the only solution is for the boys to take to each other's arms. The director was Lewis John Carlino, and it is not Jacqueline Bisset's fault if she does not make sense of her role.

So few people now can still remember Bulldog Drummond that a spoof of the character looks doomed from the start - even if it were funnier than Dick Clement's *Bullshot*. The script was written by the three leading players, Alan Shearman, Diz White and Ron House, and stretches an idea that would have made a four-minute sketch in a university revue to a feature-length collection of elaborately unfunny incidents and dialogue.

David Robinson

Pop music

Smokey Robinson
Hammersmith Odeon

William "Smokey" Robinson is not content merely to stand back and recite perfect versions of the many classic songs which have made him, for more than 20 years, the most artful singer in popular music. Instead he chooses to regenerate and refine the methods he learnt as a kid facing the famously responsive audiences in the black theatres of the Sixties; and therein lies the reason for the comparatively unsatisfying nature of the concerts he gives when, infrequently, he comes to Britain.

Robinson's standing as an enormously successful and influential singer and composer makes him a somewhat distant hero to British audiences, who have never thrown off their restraint and are happy merely to admire him. Those present on Wednesday evening were too inhibited to provide the participation which would have closed the circle and given the event the sense of occasion it demanded.

Yet, for all the enduring brilliance of his recordings, it is only in concert that Robinson's true depth is revealed: an entire dimension is added to the air of moonstruck ecstasy, to the astonishingly pure falsetto and to the infinitely flexible decoration of his phrasing. Leading a band of 13 who were consistently faithful to the music's spirit, he was on this occasion, as on others, practically without flaw.

His solicitation of requests brought many of the evening's indelible moments: "My Girl", "You've Really Got a Hold on Me", stunning improvisations on the oldies of "Who's Gonna Take the Blame" and "Holly".

His completely entranced reading of the weightless ballad "Ooo Baby Baby", "More Love", "Shop Around", "Mickey's Monkey" and "The Love I Saw in You Was Just a Mirage" were lifted from the archives and given an affectionate polish.

Richard Williams

Television
Twilight glow

One could be forgiven for thinking that Harold Macmillan spends more time reminiscing on television than he once did in active politics; he was back again last night in *Reflections* (BBC 1).

Although there is no reason to extend the courtesy due to old age in order to cover his political past, he is still an endearing figure, or, rather, he is a good performer who can fabricate a twilight glow without a hint of self-consciousness - he

gives the impression of being an Edwardian slightly aghast at the way the century has developed, a patrician who treated politics as a game in which "personalities" played the major roles.

That is why his most interesting remarks were couched in the form of memories of people - particularly Lloyd George, Hardy and Kipling. His reflections on contemporary society were not so illuminating, except for his remark that "capitalist society is more or less collapsing". I wonder how much responsibility for that he believes himself to bear.

Part of his bequest was to be

seen on *Open Space* (BBC 2), which took a somewhat horrified look at Earls Court. It is, it seems, "one of the most crowded places in Europe", with over 90 nationalities among its 15,000 inhabitants. The reporter braved these multi-racial streets. "What do you most like about Earls Court?" he asked, but it seemed to be a peculiarly difficult question to answer.

"Nothing", generally. One or two said it was "interesting", which is the English for "nightmarish". "Everyone smiling at each other", one Filipino lady suggested, but since most of the smiles came from male or female prostitutes they may not count. *Open Space* valiantly made the most of it, although the inhabitants of that area seemed to have arrived by accident and were trying to leave by design. Capital punishment, Dylan Thomas described it.

Peter Ackroyd

Hope for the Guinnless

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Dance

Onegin
Palace, Manchester

Onegin is the best of John Cranko's long dramatic ballets and one of the best made anywhere in the past half-century. It was frustrating that a Covent Garden production fell through because of problems about the decor, but the Royal Ballet's loss has turned into the Festival Ballet's gain. Their production, premiered in Manchester this week, is a welcome addition to the repertoire.

Cranko's choreography, faithfully restaged by Georgette Tsingiridis, rightly put the emphasis on the central figures but always set them against an animated background that gives a social context to the personal drama. Audience suspicion of any unfamiliar work resulted on Wednesday in houses a little less full than I have usually seen at the Palace; judging by the applause, the absence will be kicking themselves when they hear their friends' enthusiasm.

Festival Ballet has not yet got its full measure, but the ballet is strong enough to overcome that. Two casts are dancing the roles so far. In the first team, Patricia Ruanne makes a Tatiana who grows in conviction and depth through the evening, rising to a strong climax in the final scene of renunciation. Mary McKendry, taking that role at the matinee, offered a touching interpretation that could grow richer in detail with repeated performances.

The title part is not easy to characterize. Ben van Cauwenbergh catches the right spirit although his acting is all big gestures, without much subtlety yet. Alexander Sombart shows rather self-love than pride and, with an Olga lacking sparkle, the emphasis in that matinee cast swung to Mark Silver's impassioned Lensky. A recent recruit to Festival Ballet, he has matured and developed a lot during his self-imposed American exile.

Maurizio Balleza, in the first cast, is also a personable Lensky, although so sunny natured that his quarrel with Onegin looks rather too much like a tantrum. He is matched with a notably spirited Olga in Renata Calderini. The smaller characters are reasonably well done (notably Jane Devine's Madame Larina).

Festival Ballet's orchestra sometimes sounds thin, but Kurt Heintz Stolze's score, adapted from mainly unfamiliar Tchaikovsky pieces, is always a pleasure.

John Percival

GATE BLOOMSBURY

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SPECTRUM

Why the PLO fell apart in Beirut

The Palestine Liberation Organization grew into the world's best known guerrilla army under the leadership of Yassir Arafat. Then, quite suddenly it disintegrated. What caused its downfall?

By Robert Fisk

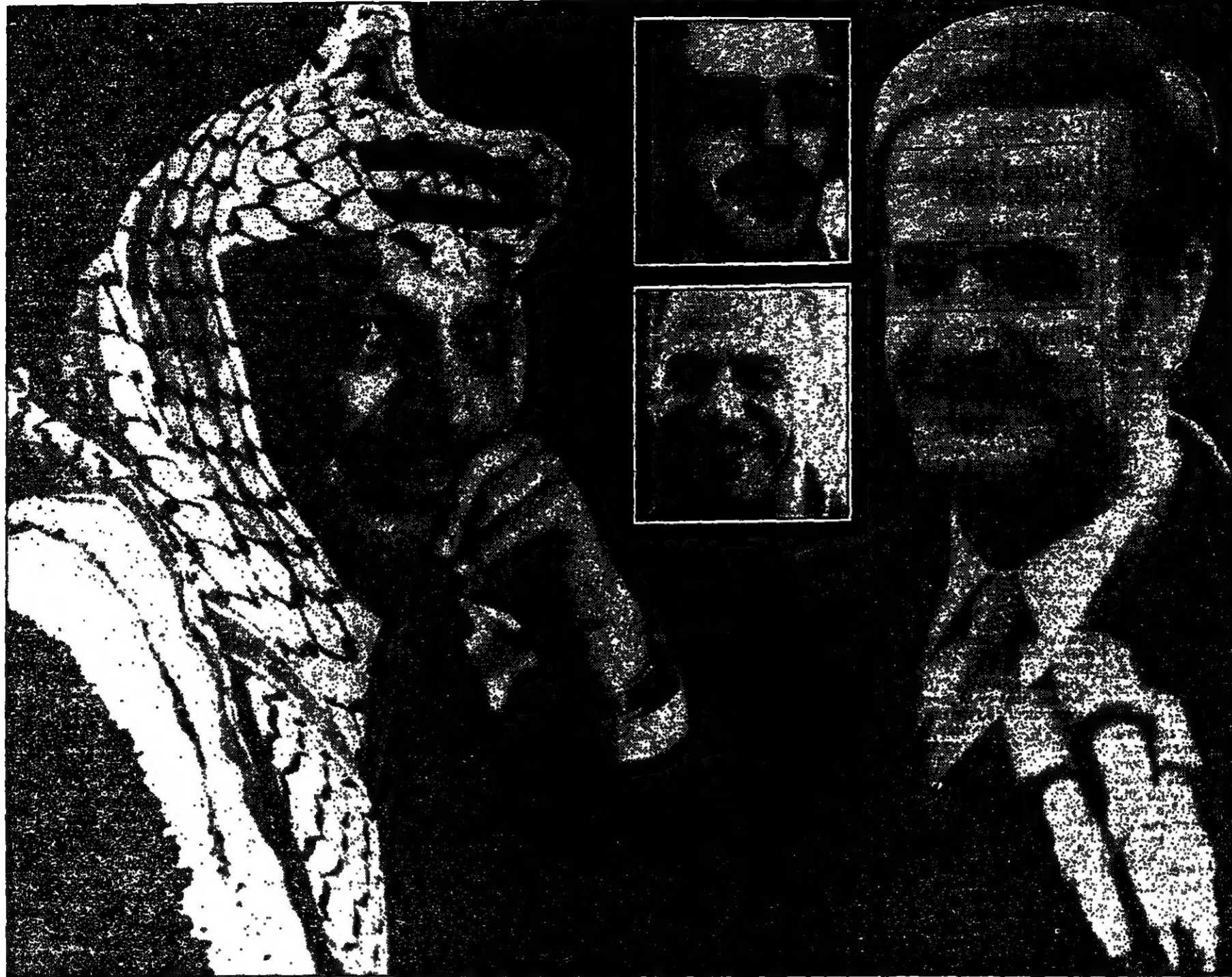
At mid-morning on Palm Sunday, 1978 Mahmoud Labadi, Yassir Arafat's bespectacled and urbane press spokesman, was driving down the main coastal highway south of Sidon. It was a bad day for the Palestinians. Israel had just sent 20,000 troops into Lebanon to attack the Palestine Liberation Organization, and Israeli jets were bombing and strafing the main road. A quarter of a million civilian refugees were walking or driving broken vehicles up the highway towards the dubious safety of Beirut. But what troubled Labadi - who three times had to take cover in the orchards beside the road as marauding jets flew overhead - was the large number of Palestinian guerrilla fighters who were also heading north. Gunmen were crowded on pick-up trucks while Fatah guerrillas holding Kalashnikov assault rifles were also fleeing the battle zone, sometimes pushing the refugees off the road in their desperation to escape.

Labadi was appalled. He drove at once back to Sidon and burst into the PLO's operations headquarters in the city suburbs where he found Yassir Arafat, for 13 years the supreme Palestinian military commander, surrounded by his most senior officers. The colonels and lieutenants whom Labadi had promoted over the years, Arafat remembers, all had "long, unshaven faces". Among them was Colonel Haj Ismael, the commander of southern Lebanon who had himself fled the battle.

Several of those present recall what happened next. Arafat, who still used his old code-name of Abu Amar, took one look at Labadi's face and asked: "What's wrong, Mahmoud, what's wrong?" And Labadi replied slowly: "Our people are running away, Abu Amar." So Arafat stood up, put his peaked military forage cap on his head and - ignoring the protestations of Haj Ismael - left his bunker and climbed into Labadi's car. Followed by his retinue of complaining colonels, he drove to an abandoned petrol station just south of the Zahranzi oil refinery on the main highway where he ordered four Fatah guerrillas to stand across the road and force any Palestinian fighters who were running away to turn back to the battlefield. Labadi still remembers the incident with bitterness. "Arafat was courageous," he says. "But those people like Haj Ismael were angry at me because I told Arafat the truth. They were loyal but they were cowards."

Those Palestinians who remain loyal to Arafat and those who have forsaken him both look back to this incident as an important moment in the history of the Fatah movement, crystallizing the weakness inherent in the PLO long before last year's Israeli siege of West Beirut. How could a man of such obvious charisma as Arafat have surrounded himself with such incompetent officers? How did they ever achieve their positions? In Arafat's encircled stronghold of Tripoli today, the question is not put so bluntly. But in Damascus, the men who have turned against him - who have arguably betrayed him - look back even further for the seeds of the mutiny that has now torn apart the world's best known guerrilla army.

The first dissatisfaction with Arafat's leadership was voiced, in secret of



Face to face: Arafat and the former allies now ranged against him, Mahmoud Labadi, Moussa Arafat and President Assad of Syria

course, after the PLO was driven out of Jordan by King Hussein's army in September, 1970. As one of the mutineer officers in Damascus puts it: "We had an organization in Amman but we were not capable of holding it together. We could not restrain the Palestinian street gangs. People got rich. We harmed our relationship with the Jordanian government and with the Jordanian people. The PLO never said so at the time but we lost thousands of our members when we came to Lebanon - young men with university degrees, people we needed, who said that we could not fight, that we were corrupt. So they left Fatah."

The issue of corruption was an important one once the Palestinians had established their headquarters in the predominantly Muslim sector of West Beirut after their ejection from Jordan. Saudi Arabia began to channel many millions of pounds into the organization.

The PLO's account was never maintained at less than a million US dollars but further funds were spread around at least ten other accounts, sometimes in the names of finance committee members - men like Abu Usama, Abu Ala and Fouad Shoubaki - who in turn ploughed the money into investments for Fatah. In this way, the PLO bought a series of huge farms in Syria, Sudan, Ethiopia, Somalia and Guinea. Incidentally, it also bought major shareholdings in several shipping companies operating out of Greece and Cyprus. Moussa Arafat, Yassir Arafat's own cousin, became the owner of a farm near Damascus, paid for with PLO funds.

Yassir Arafat's reaction to allegations of corruption is fierce. "They haven't the right to speak about these big lies... We haven't the ability to do (sic) any corruption. It is shameful of

PLO mutineer
'We had an organization in Amman but could not hold it together. We could not restrain the street gangs.'

them to mention it. They are repeating the rumours of dirty intelligence services."

Ahmed Abdel Rahman, the man who took over Labadi's job as Arafat's spokesman last year, insists that the PLO's funds were invested under private names because Arab states do not allow organizations like the PLO to own property. He rejects - as does Arafat - the claim by the mutineers that there are 20 millionaires among the leaders of Fatah, all of them close to Arafat himself. Nevertheless, Arafat's hold on power within the guerrilla movement is an intensely personal one. He is himself leader of Fatah's revolutionary council. His cousin Haj Mutlak is a member. So is his nephew - his sister's son - Nasser Kudwa, and so too is his brother Fathi who was brought onto the council last year.

Moussa Arafat is also on the revolutionary council. Even though one of Arafat's relatives holds an elected post the appointment of the other three was bound to lead to allegations of nepotism. Arafat's treatment of some of his military officers gave these charges the smell of insurrection. Back in 1976, for

Yassir Arafat
'The people who talk like this are trying to destroy our glorious revolution. It is shameful. They are repeating rumours.'

example, the PLO commander in southern Lebanon was a middle-aged Fatah officer called Abu Moussa, an argumentative but generally efficient guerrilla fighter who was sacked by Arafat in favour of Haj Ismael, the man who was to flee his post in 1978. Abu Moussa was put out to grass for four years as a member of the PLO's Beirut "operations room", a largely impotent talking shop for retired Palestinian tacticians which had no real power within the guerrilla movement.

Another officer frozen out by Arafat was Nimr Saleh, code-named Abu Saleh, who was a member of Fatah's central committee and at one time on the general command of Fatah's *Asfya* (storm) guerrillas, an unimaginative and slightly pompous man who none the less regularly criticized the PLO's unpreparedness for war.

But Arafat's own appointments quickly proved disastrous. Labadi likes to set the scene for what followed. "The Palestinian movement at that time was like an Oxford student who never did any work," he says. "Instead of studying, he chased girls and got drunk. He never prepared for his examination. He would boast - just like Arafat boasted that he would 'defy Begin to invade' - but when the day of the examinations came in June, 1982, he failed the examination. He got only 30 per cent. Against the Israelis, that's not bad, but it's not good enough. We held out in Beirut for 90 days, but that's not enough."

The Israelis quickly captured Tyre and Sidon. Haj Ismael again left his post. Arafat's deputy Khalil Wazzir - a thoughtful and brave man who is the only Arafat loyalist still respected by the mutineers - said later that Haj Ismael had been cut off from his men while leading an attack on an Israeli tank unit on a hill east of Sidon. But most Fatah officers quickly came to the conclusion that Haj Ismael was guilty of cowardice.

Surrounded in Beirut, the guerrillas savagely argued among themselves. Abu Saleh, his own home in the Fakhani district destroyed in an air attack, complained more openly about Arafat's colleagues.

Arafat allegedly turned on Labadi one evening, exasperated by Labadi's constant harping on the need to stay in Beirut. "Never mind what I tell the foreign press about staying here," he said. "We have got to go."

In late September, after the PLO had left, Arafat sat down in Damascus and watched an uncut American television video showing the corpses in Sabra and Chatila. Those who know him well say that he realized then how he had negotiated with the wrong people for the wrong guarantees. It was too late. The Syrians had already decided to

take over the PLO's guerrilla movement, thus becoming the undisputed vanguard of the Palestinian revolution. A year earlier, Abu Saleh had been sent to Damascus by Arafat on a goodwill visit. It had been an attempt to move Abu Saleh out of Beirut but it backfired because the Syrians swiftly realized how disenchanted Abu Saleh had become with the PLO leadership. He and President Assad had a secret six-hour meeting. And when Abu Saleh returned to Damascus in the autumn of last year, Colonel Ahmed Diah, the head of Syrian national security, offered him a diplomatic passport. Abu Saleh then arranged for Abu Khaled El-Amra, a Fatah student representative expelled by Arafat, to meet Diah. The mutiny was born.

Arafat knew what was going on in Damascus but his judgment appeared to desert him. Far away in Tunis, he decided that the remaining guerrillas in northern Lebanon needed a commander and appointed, of all people, Haj Ismael. There was uproar within Fatah, not least among colleagues of Abu Moussa, who was asked to accept an inferior position. Arafat then accused Abu Moussa of running away from a battle at Jezzine in 1982, a charge that appears to be untrue.

Abu Moussa was already consorting with the Syrians. He held a series of meetings in Damascus with Colonel Ali Duba, the head of Syrian army intelligence, and with Colonel Razi Kanaan, the head of Syria's military intelligence in Lebanon. As a result, General Ali Haider, the commander of Syria's special forces' army units sent a nine-truck convoy of guns and ammunition to Abu Moussa's camp in the Bekaa valley early this year. Arafat's picture was torn from the walls of the camp. The break was in the open.

Syria promised the mutineers Libyan and Iranian money as more of Arafat's former henchmen turned up in Damascus. Arafat had sent the increasingly argumentative Labadi into exile last year, ordering him to edit the PLO's glossy magazine *Palestine* in Brussels. Labadi joined Abu Saleh in Syria. "I was truly shocked," Arafat said when I asked about Labadi's defection.

Arafat appealed to Soviet President Andropov, who sent a friendly but puzzled letter in reply. The PLO leader made his greatest miscalculation. He went to Damascus and appealed to President Assad's brother Rifhat to quash the mutiny, assuming that Rifhat would take Saudi Arabia's advice and do so. Since the President of Syria had already given his blessing to the rebellion, Arafat was in effect trying to set brother against brother. Both Assad brothers hurriedly approved his expulsion.

In one last effort to quell the mutiny, Arafat carried out a purge of his own ranks, dispatching Haj Ismael into exile in Tunis. Again it was too late. Today, Abu Saleh sits in his new Damascus office, talking wistfully of the need to "purify" Fatah. Surrounded by Syrian troops in Tripoli, Arafat talks of betrayal, continually repeating that he is still the elected and legitimate leader of the PLO.

Abu Saleh and Abu Moussa are working on that, trying to win a majority in Fatah to unseat him. The last battle cannot be far away.

moreover...
Miles Kington

I may not come back

New Orleans

When people out here learn I am British, they sometimes judge me and say they hear that British politics is brightening up these days. I would like to think this meant that the wit and wisdom of Neil Kinnock is infiltrating the American public awareness. But of course they mean what I fear they mean, the Cecil Parkinson affair - that typically British business in which everyone seems to have tried to do everything for the best and ended up making a hash of it, and which is the only piece of British news reported here at all.

The most serious mistake made in the whole sorry story was the newspapers' decision to give it coverage, and that is why I left Britain a week ago, determined to stay in exile until it was all over.

I arrived in Louisiana to find the local politicians doing what politicians should really be doing: attempting to justify their reelection. At the top, they are looking for a new governor; at the bottom, they are looking for new dog-catchers and assistant deputy postmen, and by American law all these posts and everything in between are reelectable. When the inhabitants vote tomorrow they will have to fill in a form as long as an income-tax return, but at least they will then be able to get rid of all the posters which have festooned this fair state almost as badly as fringe posters swamp Edinburgh at Festival time, and you can't get worse than that.

Basically, these posters yield very little information about the candidates. They give the voters their surname, their best passport photograph, one of their nicknames (usually Bud) and the post they hope to be voted into. Political thought is limited to a slogan reading either "Stand by your man" or "Time for a change". After a while I found myself hoping for a variant, such as maybe: "Hi! I'm Cecil Parkinson! I'm new over here but very experienced!"

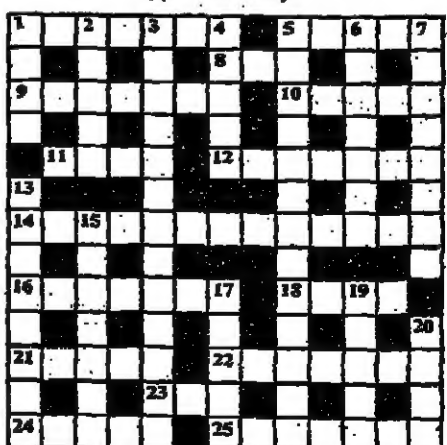
The battle to be governor is, for once, extremely interesting, especially as both candidates have been governors before. Ex-governor Edwards, a Democrat, was in office for two terms (eight years) and became very popular, having the kind of expansive personality that voters down here like and which tends to override any rumour of inefficiency or even corruption. Not being able to run for a third consecutive term he withdrew gracefully, but the ensuing scramble for his safe seat was so ungraceful and so clearly fixed that most of the Democrats did something unheard of: they rallied behind the Republican candidate, Treen, who became the first Republican governor since the Civil War.

Treen has been sober and industrious. He has also, unfortunately, presided over a collapse in the local oil industry so that the state finances, through no particular fault of his own, have slid from surplus to deficit. Now Edwards is fighting him to come back as governor and although the polls show them neck-and-neck, there seems to be a feeling that the colourful Edwards can squeeze in ahead of the unflamboyant Treen.

Louisiana, remember, is the state that had the legendary Huey Long as governor in the 1930s. Everyone knew he was a crook and everyone seemed to love him. Going farther back, it is significant that under French domination Louisiana was inefficient, corrupt and cheerful, while as a Spanish possession it was very well run indeed in a quiet sort of way. What is significant about this is that the Spanish history is always played down, and that the French are given credit for almost everything the Spaniards did.

So have a look at the election result, come Sunday or Monday, and see whether Louisiana has gone back to its old colourful ways. Assuming, of course, that Mr Parkinson is not still dominating the headlines and crowding out the real news. If he has been relegated to yesterday's news, then I shall be able to come back. The trouble is out here that no British news ever gets through and I may be here for life. Actually, I'm not sure I'd mind that very much.

CONCISE CROSSWORD (No 181)



- ACROSS**
- 1 Ransomed power (7)
 - 5 Gentleman (5)
 - 8 Hair nail (3)
 - 9 Supreme sovereign (7)
 - 10 In the midst of (5)
 - 11 Promote
 - 12 Rustle (7)
 - 13 Translated (5,3,5)
 - 16 Thoroughgoing (7)
 - 17 Needs (5)
 - 21 Question intensely (5)
 - 22 Bell tongue (7)
 - 23 Scrooge's receptacle (3)
 - 24 Bernese Alps mountain (5)
 - 25 Fill to capacity (7)
- DOWN**
- 1 Cooker (4)
 - 2 Slightly drunk (5)
 - 3 Upright (13)
 - 4 Deeds (5)
 - 5 Examination order (6,7)
 - 6 Lure drawer (7)
 - 7 King's killer (8)
 - 13 Fiat Parliament (8)
 - 15 Suspended (7)
 - 17 Needs (5)
 - 19 Tenth Creek letter (5)
 - 20 Let loose (4)

SOLUTION TO No 180

ACROSS: 1 Pedant 5 Tyrant 8 Era 9 Molen 10 Boide 11 Reef 12 Broad 13a 14 Stock Exchange 17 Taper 18 away 19 Ony 21 Placet 23 Animal 24 25 26 Copeys 27 28 29

DOWN: 2 Elope 3 Architect 4 Temple 5 Table 6 Rat 7 Nodding 13 Dracoman 15 Trellis 16 Cayman 18 Witty 20 Grant 22 Car

Important notice for mariners.

Racal-Decca Navigator Limited reminds users of its Decca Navigator System of warnings contained in Admiralty Notices to Mariners issued in November 1981 March and June 1983. These Notices referred to modified transmission from certain UK stations of the Decca Navigator channels, the latter referring to changes taking place on or after 1st July 1983. The changes were not made in July but will now be made commencing on 1st November 1983.

The operation of receivers manufactured by Racal-Decca Navigator Limited and its licensees Kongsberg Vapenfabrik A/S, and the Philips AP Navigator Company, will not be affected by these changes. Mariners should note that any other receivers using the Decca Navigator System may give erroneous readings and in particular, a receiver known as RS 4000 made by Raulff and Sorensen A/S of Denmark has, in tests conducted by Racal-Decca Navigator Limited been shown to give positional errors of up to 2.5 nautical miles.

Racal-Decca Navigator Limited will accept no responsibility for any loss or damage caused directly or indirectly by persons using receivers not manufactured or licensed by Racal-Decca Navigator Limited. Mariners are warned accordingly.

Racal-Decca Navigator.

Racal-Decca Navigator Limited,
Burlington House, Burlington Road, New Malden, Surrey, KT3 4NR

RACAL
The Electronics Group

THE TIMES DIARY

Open verdict

Doctrinal uncertainty swept the corridors of power in the Socialist Republic of Islington yesterday when news broke of the bloody conflict in Grenada. The north London borough, which is ideologically twinned with the Caribbean island of St. George's, was initially unsure whether developments were good or bad. So, when asked her views, Margaret Hodge, leader of the council, decided that the best form of defence was attack. She immediately lambasted the Conservative-controlled Margate council, which is twinned with Yalta, for not condemning the shooting down of the Korean airliner. Islington's twinning arrangement, she emphasized, involved giving practical help to Grenada, such as shipments of old library books and second-hand dusters.

Heal thyself

Lord Young of Dartington, the man who conceived the Consumers' Association, the National Extension College and other good things, tells me he is about to deliver another brainchild - an offer to sick people by the College of Health, in return for a £10 subscription, of courses in health education, the structure of the NHS and patients' rights. Accompanying this worthy scheme will be the launch of a weekly health magazine, *Self Health*, covering everything from diet to alternative medicine. "I feel we are cashing in on something big," Lord Young confesses.

● *Ursula Andress*, immortalized on film as a starlet with a wet blouse, has emerged on the other side of the camera. She spent a week on the photographers' pit at the Paris collections working for an Italian magazine and found herself more the object of attention than the models on the catwalk. She took a dim view of the Paparazzi interruptions - until one of them showed her how to change a film.

BARRY FANTONI



"Funny, I don't remember him at Cambridge"

Forever Young

Canon Edwin Young has retired after 10 years as Chaplain of the Queen's Chapel of the Savoy and the Royal Victoria Order. The 500-odd couples who were married by him have been invited to his retirement party at the hotel next week. They will miss him; so devoted was he to his couples that he sent every one anniversary and Christmas cards during his tenure, and all were invited to St Valentine's Day service and reception annually. Canon Young is poised for a second career as a "pre-dinner" speaker, famed as he is for his witty, beaming graces, and has an autobiography in the works.

Pas de ballet

Left-wing MP Tony Banks' plan to initiate the Government and balletomanes at one fell swoop by bringing over the Bolshoi Ballet for a performance exclusively for the proletariat has fallen through. Banks, chairman of the GLC's arts and recreation committee, planned to sell tickets to an audience not normally seen at such occasions, through organizations such as housing and pensioners' associations. But the trip, opposed by Downing Street, has been cancelled. "It became too much of a hot potato," said one involved in the talks.

Literary package

Jorge Luis Borges, everybody's favourite Argentine, is guest of honour on Frank Delaney's BBC 2 chat-show to be broadcast on Monday; but his choice of remarks remains unrecorded except in this column. As the video cameras rolled, Bruce Chatwin stood up to introduce the great man. "He's a genius," burred Bruce. "You can't go anywhere without packing a Borges. It's like taking a toothbrush." Offstage, Borges was heard to mutter (between clenched teeth, presumably): "How unhygienic!"

4 Channel 4 is acquiring admirers. The 300 Group, which is pressing for more women in Parliament and elsewhere, has awarded Jeremy Isaacs and his current affairs head, Liz Forgan, an accolade "for consistently giving significant coverage on a fair and equal basis to women in politics". Lord Wilson of Rievaulx, who did more than any other prime minister to promote women to important political posts, according to the group, will be on hand when the award is presented at the Commons on November 14. Isaacs should be doubly pleased; not only has he a new gang for the mantelpiece but the comfort of knowing the group has been watching his controversial channel. It all adds to the ratings.

PHS

The Mirror: Labour's love lost?

Much speculation over the proposed sale of the *Daily Mirror* has centred on the identity of the chairman of the new company. Sir Alex Jarratt, the chairman of Reed International, the owners, has said it would be someone acceptable to both the City and the Labour movement, and today, Clive Thornton, head of the Abbey National Building Society, is expected to be presented as the new chairman. But after the sale of *Mirror* Group Newspapers (MGN) the job could be irrelevant.

The parent group has decided, unlike Trafalgar House when it "demerged" Express Newspapers, to retain no financial interest in its subsidiary which might prevent a future takeover.

When the company makes its Stock Exchange debut, a new chairman acting as chaperon will be unable to fight off the attentions of corporate suitors, not all of whom will have honourable intentions.

In other words, whoever the new chairman and whatever the constitution of his board, a takeover bid would be perfectly possible from a company which might take the papers smartly to the right. The only sign so far of disquiet has been informal discussions between Neil Kinnock and senior editorial figures at the paper, a belated letter expressing concern from a member of Labour's National Executive has also been despatched. It is gradually dawning on Labour leaders that the

flotation could be potentially dangerous.

The first point at issue is whether Labour really considers the *Mirror's* fragile allegiance important. If so, and one supposes this to be the case, what can be done to ensure its continued support?

There are two ways the company, as currently envisaged, may be protected from an alien political infection. The first - and the most important, according to Leslie Carpenter, chief executive of Reed International - is the weight of opinion among *Mirror* staff. But it is not at all certain that the unions at the paper would take industrial action to protect the paper's traditions. How many of its employees are so committed to Labour that they would strike in a political cause?

Senior journalists who objected to a new proprietor with right-wing ideas could find themselves emasculated or be golden hand-shaken to the door.

The second possibility would be for the unions to take a stake in the new company. This idea has attracted some support, but it could be impracticable. For a start, the new MGN is likely to have a price tag of more than £100m and a controlling interest would therefore cost more than £50m.

Even an appreciable strategic stake of between 5 and 10 per cent would be expensive. And where

would the cash come from? Arthur Scargill has already suggested that the National Coal Board pension fund, on which the National Union of Mineworkers has a 50 per cent representation, should invest in the company. It might occur to other union leaders that other pension funds with strong trade union investment could follow suit.

But Mr Scargill's relationship with the NCB fund is known to be at best brittle and trustees will balk at taking a shareholding which could be interpreted as politically motivated.

Any suggestion that the finance could come from unions' general funds will find little support among executives seeing membership dwindle and cash evaporate. One hope, of course, would be that any eventual predator would take the form of a socialist millionaire. A rare breed; possibly extinct. The most likely candidate must automatically be Robert Maxwell, the publisher.

Clearly the subject will be raised at the next general council meeting of the TUC. One of its tasks will be to appoint a committee to look at the financial viability of a TUC newspaper at a cost of £7m.

The attractions of such a venture, however slight, are likely to be greater than the accumulation of a shareholding in a company whose policies it will be unable to influence.

One of the answers to Labour's pressed need to retain a foothold in Fleet Street is to start an immediate campaign to build safeguards into the constitution of the floated company, before its Stock Exchange debut. One such guarantee would be for voting shares to be held in trust. Thus only non-voting stock could be bought, which in turn would be of interest only to investors and not to predators.

However, if Mr Kinnock deploys this argument at any future meeting with the Reed board, he will be told that investors will pay less for non-voting stock and that they would receive less for the flotation. Reed International, it will be said, is not a charity.

The company has been prepared to hunt for an acceptable chairman, and it will be prepared to make sure that, in the first instance, anyway, shareholdings are spread thinly - but it will not be prepared to see its subsidiary undervalued.

Reed points out that any right-wing capitalist seeking to buy the *Mirror* would find his ambitions under scrutiny by the Monopolies Commission, whose brief is to "protect the public interest". Whether political as well as commercial monopoly would be considered sufficient reason to block the bid is another matter.

Barrie Clement

Lawrence Freedman on the battlefield numbers game

Short-range steps towards peace

Four years ago the first volleys were being exchanged in what has turned out to be the most intense debate on nuclear weapons since the Second World War. A group of Nato planners was then reported to be proposing the introduction of new US cruise and Pershing missiles into Europe. Soon President Brezhnev weighed in with the first of many combined Soviet offers and threats designed to stop the programme. Nevertheless, after a couple of months of hectic political activity Nato agreed, in December 1979, to endorse the missile proposal. Four years later, the preparations are almost completed and the missiles will soon be arriving.

The same group of Nato planners, known as the High-Level Group, is now completing a report on another set of US nuclear weapons in Europe. These are short-range artillery shells, gravity bombs, offensive and defensive missiles and even mines. Unlike cruise missiles, which can attack Soviet territory, they are designed for use against fairly close military targets on, or just behind, the battlefield.

There are many similarities with the earlier situation. A group of expert officials is working without any publicity on politically-loaded proposals for its masters, at a time when increased Soviet activity in comparable missiles is reported. Many proposals are being put forward in the Pentagon for the modernization of Nato's stockpile. Moreover, short-range weapons are potentially more controversial than long-range because they are more numerous, and more likely to involve use on Nato territory; and they nationalise behind them is much more questionable.

They have long been criticized for creating the illusion of a nuclear military option, able for example to halt a tank invasion, while in reality any use would merely start off full-blooded nuclear exchanges earlier than would have otherwise been necessary. To use them effectively would require early authorization to "go nuclear", but Nato's consultative procedures, quite properly ensure that would be delayed before any request for use were answered.

The last time, Nato tried to improve its short-range arsenal was in 1978 with the "neutron bomb", or the "enhanced radiation weapon", as it is known in Nato jargon. So great was the furore then that President Carter decided to hold back production.

Not surprisingly after all that they have been through with the cruise missile debate, Nato leaders are reluctant to agree to yet more weapons projects. Apart from anything else, these are the sort of



nuclear weapons operated by European forces under dual-key arrangements. So the political issue would not simply be whether to permit their presence with US forces but whether to buy any new systems. For this reason, the improvements agreed may be largely incremental - better safety features, command and control, and possibly longer range.

Most significantly of all, the principal change will probably be to reduce the Nato stockpile by as much as one-third - from a stockpile of 6,000 weapons to 4,000 - mainly

by cutting out weapons considered unimportant. Such a move will surprise and even encourage those who believe that the alliance is capable only of adding to its arsenal and that it can never cut back. To long-standing critics of these weapons it at least represents a move in the right direction. What difference will it make in practice?

Opponents of the cuts contend that it is unwise to give up any capability when the Soviet Union is adding to its nuclear forces. They claim that there is no need now to offer the short-range weapons as a

sort of political sacrifice for the cruise and Pershing missiles, because after the British and West German elections the success of the long-range programme is reasonably assured. Any cuts now should be in return for a notable improvement in conventional forces, or in elements of the battlefield nuclear arsenal that will remain.

Against this, it is pointed out that Nato's past promises oblige it to remove a certain number of weapons, on a one-for-one basis, as the cruise and Pershing missiles arrive. For reductions beyond the 572 such missiles proposed, it is hopeless to rely on arms control because this is a notoriously difficult area in which to negotiate. East and West stockpiles are not at all comparable, the distinction between nuclear and conventional capabilities are rarely clear-cut, and verification may be impossible. So all Nato can do is look hard at its stockpile and make a strategic judgement on what it really needs.

It is hard to find anyone who believes that the number of weapons is anything but excessive. In practice, the proposed reductions will not make much difference to Nato's nuclear options. The only systems to be removed will be Nike-Hercules air defence missiles and atomic mines, neither of which is considered usable. Systems such as artillery pieces capable of taking nuclear weapons are unlikely to be decreased in number, to ensure that the widest number of Nato countries can in principle be involved in nuclear operations. All that will happen is that there will be less nuclear ammunition to pass around.

So the proposed reductions are really radical only when compared with past practice. For Nato planners they at least provide a policy on quality, distribution and type in an area where previously only numbers were seen to matter. They allow the alliance to improve its public image, and create a valuable precedent for unilateral cuts. They break a strange sort of symbolism surrounding the stockpile level which used to be taken in the absence of any more compelling rationale, as a statement of the degree of US commitment to the defence of Europe. And they point Nato in a direction that has been advocated by many defence experts as well as arms controllers - towards lessening Nato's dependence on nuclear threats.

If at the end of this month the alliance decides to move in this direction it may not be a large step for mankind but it would still be quite a big one for Nato.

The author is Professor of War Studies at King's College, London.



Princess Diana, Grocho Marx, Christine Keeler, Harold Macmillan, Lord Longford, Hedy Lamarr, Asquith, Humphrey Lyttelton

Surprising sprigs on the family tree

I didn't either, but the conclusion is inescapable. The Prime Minister is related to the Queen. Close observers of the former assume from her demeanour and carriage that she has secretly known this all the time.

The relationship, it must be said, is distant - as it is said to be every Tuesday evening at the regular weekly audience - and the blood test has yet to be invented which would prove the link. Nevertheless there is a thread, more tortuous even than Ariadne's ball of string in the Labyrinth, but unbroken, provided you step outside the normal rules of genealogy and are prepared to build bridges across brothers-in-law and second marriages.

For establishing the link between Queen Regnant and Queen Presumptive I am indebted to Andrew Barrow, a young man who has set out to prove that everybody who ever appears in the gossip columns is in some way related to everybody

else whose name appears therein, and has drawn up a family tree of the famous and the almost well-known, published this week as *The Gossip Family Handbook*.

Mr Barrow is impeccably qualified to undertake such a task. His wife is the second cousin of the brother-in-law of Miss Sara Keays, who has recently been making the newspapers.

Who would have imagined that Richard Ingrams, the editor of *Private Eye*, is related to Sir James Goldsmith? Or Jack Profumo to Harold Macmillan? Or Lord Longford to Hedy Lamarr, the first actress ever to grace the silver screen with nakedness? Or Lady Docker to Graham Greene? Or Denis Thatcher to his stage persona, John Wells? Or Anthony Blunt to Prokofiev?

Poisonless, frequently bloodless, but fun.

It is all a good deal more entertaining than Burke and Debrett, if less scrupulously atten-

tive to the descent of blood. Traditional genealogy, which would quickly establish a direct blood-connection between, for example, Viscount Whitelaw and Disraeli, goes backwards. Only by going sideways can Mr Barrow establish a link between Sir John Gielgud and Jane Fonda, Herbert Asquith and Humphrey Lyttelton. I suppose he could ultimately join us all up, given the time and a large enough sheet of paper.

The next edition will be even better. Owing to a recent marriage undertaken by the modestly well-connected Mr Reginald Bosanquet and too late for inclusion, the identity of the former newspaper's new wife's first husband's first wife means, according to Mr Barrow, that the Queen, Mrs Thatcher, Lord Longford, Harold Macmillan, Captain Mark Phillips, Sir John Bejman, Alistair Cooke, David Dimbleby, the previous Archbishop of Canterbury but one, and every other name on Mr Barrow's Tree of High Life, are all related to Miss Christine Keeler.

They always said she had class, that girl.

Alan Hamilton

**Hamish Hamilton*, £6.95.

David Watt

A Falkland chance too good to miss

Buenos Aires

In a week's time, Argentina has its first election for nearly a decade. To anyone interested in politics it is a fascinating struggle in its own right, low-keyed by Latin American standards but grim and likely to be very close. To the British observer, however, the overwhelming question is whether democracy is going to produce a government any more likely to settle the Falklands question on reasonable terms than the bitter and embittered military regime now bowing out.

The answer, like almost everything else in Argentina, is enveloped in clouds of rhetoric and emotion. After last year's defeat, Las Malvinas is more than ever the most obsessive issue of national honour. Jorge Luis Borges's remark that the dispute was like two bald men fighting over a comb is no more welcome in Buenos Aires than it is in Downing Street. Mrs Thatcher is the figure (outside Argentina) that everyone most likes to hate. And even the arrival of as inoffensive a person as myself in Buenos Aires has been denounced in recent days by "the Veterans of the Malvinas" and others as grossly insulting.

Nevertheless the answer is still a qualified yes. It is clear from the conversations of their closest advisers and from the logic of events that each of the principal contenders for the presidency - Italo Luder, the Peronist contractor, and Raul Alfonsín, the Radical Party challenger - is beginning to look for a settlement of the Falklands dispute and, given any real encouragement from the British side, would approach discussions in a more realistic frame of mind than any Argentine government since the 1960s.

In the first place, the military junta is for the moment discredited and demoralized. It is regarded with a contempt that is open, complete and unqualified. The reasons for this collapse go beyond the war to today's economic shambles in particular, but there is no doubt that the war is generally considered an unmitigated disaster. All connected with it are in public disgrace. Nicanor Costa Mendez, Chalfi's Foreign Minister at the height of the crisis, for instance, has been unable to secure the backing of any party to run for the Senate or even the House of Deputies.

The hindsight consensus even among people close to the junta is that the use of force was an error of principle which misjudged not just the British but other Latin American countries, the Americans and the Europeans; did untold damage internationally, and wrecked already shaky finances.

Starting from this point the main political parties are now toying with conclusions. One prominent Peronist put it this way: "We have three possible courses of action. One is to do nothing - but public opinion will demand movement and all they have seen on the contrary is the British consolidating a huge base on our doorstep. That is a recipe for more foolishness, not now perhaps, but later on. The second possibility is to Malvinize our foreign policy altogether - to make everything dependent on the issue. This would mean more or less throwing in our lot with the Soviet Union and Castro and the non-aligned movement, perhaps reneging on our foreign debts. This, too, is foolishness, though there are some who want it. Very well, there is nothing left but to negotiate with the British and to mend our fences with the US and Europe."

In that case, would a new Argentine government be prepared

to declare a formal end to the war? The answer, after a certain amount of legalistic prevarication, is that if Argentina declared peace, it would have no satisfactory ground for pressing the Brazilian and Uruguayan governments to deny the British transit facilities to the Falklands. And since this is one of the main levers the Argentines have against Britain, they would be mad to throw it away without a *quid pro quo*.

What would the *quid* would be? Some gesture from the British that indicated they were not intending to build up a huge and permanent strategic base on the island as soon as communications were made easy for them to do so. Perhaps a reduction in size of the exclusion zone, it is suggested, would be a start.

And what, Mrs Thatcher always scathingly asks, would negotiations be about? The Argentines reject the present British preference (assuming that were started at all) for settling relatively harmless questions about commercial relations and the like first. They can foresee Mrs Thatcher pocketing the preliminary agreements and stringing them along for another 17 years on the sovereignty issue. So far as they are concerned this is the crux of the dispute and they insist on it absolutely.

But the war has changed things to the extent that the party politicians and their advisers now seem ready to reexamine fairly long leaseback solutions on Hongkong lines, to envisage international guarantees for the islands both before and after the "lease" expires and finally to fudge the question of whether talks can start at all without the pre-supposition of Argentine sovereignty - the point on which the discussions of 1982 finally broke down. Why, they ask, can we not embark on negotiations on the basis of the formula agreed to by British and Argentine officials in 1968 which said, in effect, that the UK would recognize Argentina's sovereignty but only when the British government had been satisfied that the islanders' interests were secured?

The truthful reply is that a lot of blood-stained water has flowed beneath the bridge since then and Mrs Thatcher is not ready to go back to the pre-war position as if nothing had happened in the meantime. But the question is well worth thinking about, all the same. Time, after all, is not on the British side. And by that I do not just mean that pressure for negotiation from the US, our European partners and the UN, will become increasingly insistent or even that the cost of Fortress Falklands will continue to mount alarmingly.

The point is that anyone surveying the scene here in Buenos Aires is bound to conclude that the establishment of this new government will provide a climate for negotiations that is unlikely to recur.

With the appalling problem of the Argentine economy and the lack of any widespread Argentine predisposition in favour of democracy over dictatorial forms of government, the chances of either Luder or Alfonsín serving a full term without another military coup are probably no better than ever. Nevertheless, settlement: ratified by democratic processes is more likely to last from one regime to another than a military fiat; and a democratic government which settles the quarrel with the British is more likely to survive. If we could take a long view of our interests and those of the West, we should explore a precious opportunity without too much delay.

Philip Howard

Fact: fiction is not just ephemera

Daily newspapers seldom publish fiction, except by accident; and then the decent ones tend to publish a correction. It would be agreeable to have the space to publish a short story, or poem, or an extract from a novel every day. In practice the daily avalanche of news, criticism, comment, information, reader service and features leaves no room for serious fiction. (One could write a tendentious monograph demonstrating that news is a kind of fiction: the good end unhappily, but the bad happily; that is what news means.)

And I dare say that the majority of our readers, with 20 minutes in which to read their papers while they are jostled and pushed eyeball to eyeball up against complete strangers on the Central Line, do not have the time or the concentration to read the hard stuff of creative writing, or whatever unsatisfactory epithet you give it.

Nevertheless, it is the real thing. The work of our poets and novelists matters more and will last longer than the little disturbances of the news. Discovering a good writer is far more exciting than discovering a new painting or a new city.

There are signs that the news about new fiction is catching on. For some time *Granta* at Cambridge has been spreading the word and making money by publishing new creative writing with Penguin. And next week the latest *Fiction Magazine* comes out.

You don't need to be Einstein to work out that it will consist mainly of fiction, to assuage the appetites of us addicts who cannot wait until the next novel. Short stories by Maggie Gee and Russell Hoban are firmly rooted in London. Saul Bellow sets his in Chicago; and George Mackay Brown in the Orkneys. Where else for either of them? Well, quite a lot of places, but that is another story. Joshua Shtofinski (investigating the

death of the novel: prime suspect, Italo Calvino) finds himself located somewhere within the wild imagination of his creator, Clive Sinclair.

The magazine was founded a year ago with a grant of £3,000 from the Arts Council, which still pays its contributors its minimum rate (pennies). It is carried on by the generosity and enthusiasm of lovers of fiction; like my friend and colleague Philippa Toomey, who has just lent it a bit of her inheritance to keep the presses turning.

In its brief life it has published some notable scoops that other literary editors green with envy. There was a delightful interview between Ishiguro and Timothy Mo. And the issue devoted to new Irish writing, including all the pros and the prose of previously unread stars, was a notable coup. Cries of jealousy and admiration from Webb and Tomalin and other literary editors could be heard a mile away from Fleet Street.

The magazine's editor, Judy Cooke, sees its prime function as discovering and introducing new writers, and providing them with a regular platform. It can keep the links between writer and reader in the long wait for the next novel, or the long gap between hardback and paperback publication.

I can see that commercially it is a fairly dicey project. How many people want to read fiction, for Jane's sake, when they can read politics, gossip, crime, and all the other raw material of life in the daily press? Well about 10,000 an issue at present, mainly buying their quarterly dose in the newspapers such as W.H. Smith and Mezzies, sneered at by the *bien-pensants*.

It is a deplorable development. And we had better keep quiet about it. If word got out that reading the best writing by our brave new writers was more fun than reading newspapers, it might catch on. And that would never do.

Int
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for

A SPECIAL REPORT

This week's successful launch by a European rocket of a US satellite is balanced by trade union opposition both to moves to break the monopoly position of British Telecom and competition by the private Mercury group. We also look at the new telephones and developments in cable and satellite television.

Telecommunications

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In the last decade telecommunications and its political control has become an extremely sensitive issue both at home and overseas. The British Government's attempts, which were to begin in 1980, to liberate the British telecommunications industry from the dominance of the state controlled British Telecom - then part of the Post Office - were to highlight those sensitivities. Competition would stimulate the electronics industry, commerce and ultimately the economy as a whole since telecommunications was as important an ingredient in successful business activity as was finance, energy and transport. The advances of telecommunications was a measure of the efficiency of the industries which depended on them. That was the theory.

Despite the political difficulties experienced in the past three years the British Government has remained convinced that the monopoly enjoyed by British Telecom for 60 years must be broken and that British industry must innovate, to compete with any threat from overseas suppliers. That foreign competition will be on show next week in Geneva at Telecom '83 (October 25-November 1) where the world's telecommunication equipment designers, manufacturers and suppliers will have their products on show. The British flag is to be flown through a joint effort by British Telecom and the principal manufacturers in the UK - Plessey, GEC STC and TMC.

It is a curious partnership because the relationships between the companies have been subject to a whole series of stresses in the past three years, fuelled by the Government's attempts to encourage the private sector to compete with British Telecom.

The first moves were made by Sir Keith Joseph, then Secretary of State for industry, who in 1980 outlined the blueprint for a new approach to telecommunications and one that would be the envy of the world. No longer would the British market be dominated by the state. Other suppliers would

be able to provide services and the customers would benefit by being able to buy their telephones from whoever they chose.

The theory was flawless but the reality something different. The vehicle for that transition was the British Telecommunications Act which became law in July, 1981. It not only split the postal and giro side of the Post Office from the telecommunications arm of the corporation, creating British Telecom, but it was to empower the Secretary of State for Industry to award licences to commercial interests wishing to compete with the state corporation.

By February, 1982 a licence had been granted to one such commercial enterprise, Mercury, a consortium of Cable & Wireless, BP and Barclays Merchant Bank. The trade unions led by the Post Office Engineering Union which represents more than half of the employees of British Telecom were never keen on liberalization because of the danger of a flood of foreign imports, but declared its opposition to the Mercury consortium and vowed to oppose it in any way possible.

The whole liberalization policy however had got bogged down. Small manufacturers wishing to compete in equipment supply were to complain constantly that British Telecom which played a crucial role in determining whether products were technically acceptable was not responsive enough and the time delays were unacceptable. Independent suppliers were to be further annoyed and the Government embarrassed by the expansion of British Telecom into new areas of business activity covering the complete spectrum from the supply of advanced business systems to cable television.

Although it had been discussed for some time, the reality was inescapable. British Telecom itself should be put into private hands, allowing it to grow and modernize at its own pace with freedom to raise the necessary cash from the city.

That meant another round of legislation, a new British Telecommunications Act. It would



Give somebody a ring! Both British Telecom-approved and non-approved equipment now available. Robert Swains, who runs the Empecey Telephones concession at Selfridges, London, has more than one hundred telephones and answering machines on offer. Picture by Helmi Schneebeli

have been law had it not been for the timing of the general election. Its passage although never seriously threatened in the House of Commons was to be troublesome. Even some Conservative backbenchers, stalwarts of privatization and opponents of state control, were worried about the dangers which might face rural telephone subscribers. The new British Telecom was to be a commercially driven company, so would emergency and rural services be cut to the minimum in pursuit of maximum profits?

The industry itself was dissatisfied and is still not content. Sir Keith Joseph had emphasized in 1980 that no

foreign company would be given a licence to supply equipment to the British market unless the application was accompanied by assurances that would result in "real reciprocity". The idea was simple but politically naive. Joseph was soon to find that the constraints imposed by the rules of the EEC and GATT meant that he could not protect the home industries if he liberalized the market. There has been no avalanche of foreign goods on to the British market but these are early days.

The flagship of the British telecommunications industry, System X, was to flounder badly in foreign markets. The

system originally designed to be used at home and to attack the markets of the old commonwealth was having trouble competing. A marketing group set up in 1981 to promote the product overseas was proving ineffectual and had only managed to complete one sale which was to a British company-Cable & Wireless which bought a small £2m exchange for installation in the West Indies. By the beginning of this year the partnership which designed and built the electronic exchange had broken up. Standard Telephone & Cables (STC) withdrew from the consortium, leaving Plessey, GEC and British Telecom. The marketing

company was disbanded and its responsibility divided between Plessey and GEC.

But the liberalization policy was still being pursued albeit modestly. The breakup of the telecommunications giant American Telephone and Telegraph (AT&T) and the sale of its local operating companies meant that the United States market was going to be more competitive. Britain should follow suit. Moves by the Japanese to privatize Nippon Telephone and Telegraph (NTT) and possibly break it up into local operating companies were to convince the Government that it was on the right road.

The major suppliers to British Telecom-STC, GEC and Plessey - were not convinced that the strategy was right since the corporation still had a dominant role. They requested, through their trade association, that the amount of equipment which British Telecom should be allowed to supply be limited to a fixed quota. They ideally wanted the corporation barred from the supply of any equipment. They compromised for a quota - and got nothing in the end.

But the development of satellite transmission and cable television in the United States had caught the imagination of

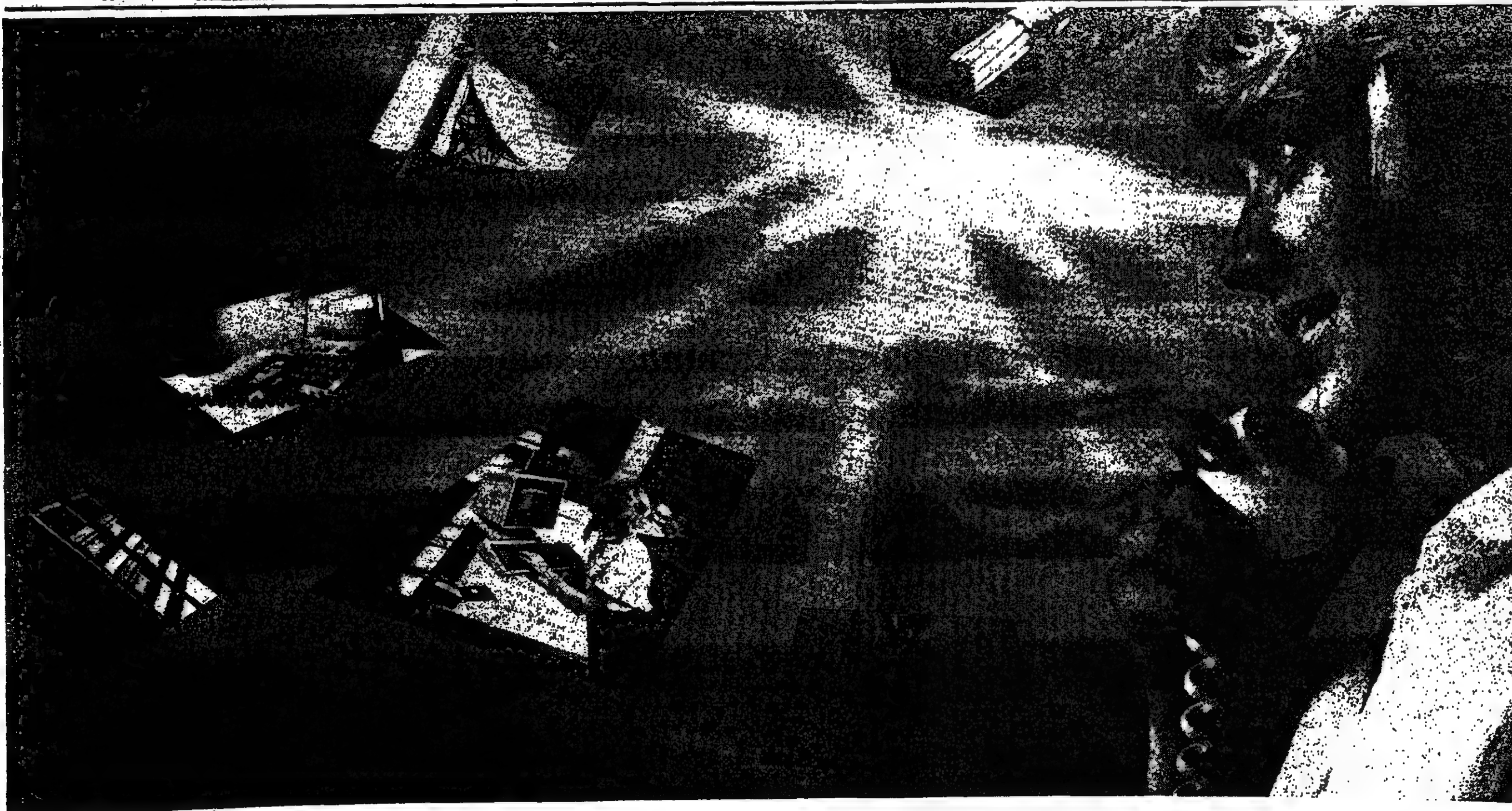
the industrial advisers to the Cabinet Office.

More than £85m a year is now being spent by Britain on research development projects on space. The monies are culled principally from the resources of the Department of Trade and Industry and the Science and Engineering Research Council. About 75 per cent of that funding is spent through Britain's membership of the European Space Agency (ESA). In Britain the design and manufacturing capability on satellites and the necessary electronics is spearheaded by British Telecom, British Aerospace and Marconi.

Cable television has been given approval for expansion despite many months of argument between the Home Office, which views itself as guardian of the broadcasting airways, and the Department of Trade and Industry which is committed to stimulating the electronics industry and will use any vehicle to that end. A Cabinet Office report, prepared by the Information Technology Advisory Panel (ITAP) and published in March 1982, called for approval to be given to the early expansion of cable television. One third of a multichannel system, typically 10 of 30 channels, ITAP claimed were to be devoted to services such as shopping, banking, voting and a whole range of services on these "home telecommunication" networks. The Government is presently deciding which 12 applicants from a batch of 37 will be given the first franchises for multichannel cable television in Britain.

A new telecommunications market stimulated by the breaking of British Telecom's monopoly, the expansion of cable and satellite will be created in Britain but how much of that can be commanded by British suppliers only time will tell. The exhibits at Telecom '83 will give them a taste of that competition.

Bill Johnstone
Electronics Correspondent



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telex, teletext and integrated office systems, Plessey involvement is complete. Plessey works around the world, in more than eighty countries.

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To find out more, contact John Pollard, Plessey Telecommunications & Office Systems Limited, Beeston, Nottingham NG9 1LA. Telephone: Nottingham (0602) 254831 Ext. 4251. Telex: 37201.

PLESSEY
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Ahead in business communications.

BT dominant, and growing stronger

British Telecom is a company in transition. It has been since the Government's announcement three years ago that the British telecommunications market was to be liberalized and the corporation forced to compete with the private sector.

Under the astute chairmanship of Sir George Jefferson, BT has been divided into profit centres, with each responsible for its own schedules, productivity and even advertising budget.

The change, though far from complete, has disturbed many manufacturers in the telecommunications industry and even some Conservative backbenchers who supported the Government's policy.

On the industrial side the discontent stems largely from those who have witnessed BT confidently expanding its activities, word-processors, micro-computer systems and cable television expertise. BT is still a dominant force in the telecommunications market and there is every indication that it will retain that status for many years.

Its modernization programme, now in the region of £2,000m a year, makes BT the most attractive customer in the UK telecommunications industry. Suppliers ignore its wishes at their peril. That influence, many in the telecommunications industry maintain, makes a mockery of the Government's policy on telecommunications.

It is that influence, if the Government's intention to sell 51 per cent of the corporation is implemented, which is disturbing many MPs of all parties, including some Conservative backbenchers.

The new British Telecommunications Act will become law during the next session of Parliament. That will transform BT into a private company whose shares can be disposed of by the Secretary for Industry. He intends beginning that disposal next autumn.

The anxious MPs are frightened that the corporation will be transformed from being a publicly-owned monopoly to a privately-owned one with little accountability to government.

The fears have been allayed by Government assurances that BT must abide by the conditions outlined in a licence to be awarded by the Secretary for Industry. This licence will be the subject of heated debate from both sides of the House, particularly from members who want to be confident that emergency services, rural telephone services and telephone kiosks will still be provided and properly maintained.

The corporation is a political hot potato and will continue to be so even after privatization. It is that factor which has worried the Treasury, the Department of Trade and Industry and the House of Commons.

The sheer scale of the proposed BT issue is another major problem. Fifty-one per cent of the company would be worth at least £5,000m. The flotation of one tranche of such size on the market may prove to be impracticable.

Trade and Industry and the City advisers who are masterminding the sale of the corporation's shares. Will a corporation constrained by a restrictive operating licence, requiring it to provide non-economic services from profits in other areas, be an attractive proposition for investors? Will these responsibilities and the political outcries every time there is a tariff increase discourage future investment?

The sheer scale of the proposed BT issue is another major problem. The company has yet to be valued. Depending on the accountancy convention used, the company's assets vary between £10,000m and £16,000m. Fifty-one per cent of the company would be worth at least £5,000m. The flotation of one tranche of such size on the market may prove to be impracticable.

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Profit-maker: BT chairman Sir George Jefferson

impracticable. The sale of more than one tranche is unsatisfactory since it would produce further uncertainty about the time of the next.

The corporation would still be state owned and constrained by its commercial borrowings until 51 per cent was owned by the private sector. Selling shares to subscribers and placing shares on foreign exchanges may provide the answer.

The new telecommunications authority to be created by the forthcoming legislation, will monitor the British telecommunications industry and BT. It is still uncertain whether BT's role as telecommunications representative of the government is to be altered.

Britain is a member of the European Space Agency (ESA), with which all the telecommunications authorities negotiate through their joint body, Eutelsat. The coordination between countries is vital in controlling satellite transmissions and standards. If, however, Britain is to have several companies - Mercury and more of the same - providing international telecommunications links in competition with BT then someone else will need to represent Britain at the satellite table.

Despite political rhetoric to the contrary, BT's role in cable television will be substantial. Apart from carrying programmes between cities, from one local station to another and leasing cable to local operators who have no cable of their own, the corporation has agreed to join nine consortia which have applied for cable television franchises as a full partner.

British Telecom is and will remain a dominant force in all aspects of the UK telecommunications industry.

Shareholders in Mercury are Cable & Wireless and British Petroleum, with 40 per cent each, and Barclays Merchant Bank with the remaining 20 per cent. These three partners have to date put up £28.6m - money which has either been spent or is firmly committed.

Apart from funding the venture and having non-executive directors on the board, the three shareholders play no direct role in running Mercury. One aspect of the original Mercury announcement which caught the public imagination was the scheme to use optical fibre cables running along British Rail tracks.

The main snag was that using BR's tracks in this way could have resulted in liability for Development Land Tax. That problem has now been resolved satisfactorily, and in September an agreement was signed with BR which allows Mercury to go ahead with its initial plan for a figure-of-eight network, centred on Birmingham.

The southern loop will take in London and Bristol, and the northern loop will connect with Leeds, Manchester, and Stoke-on-Trent. There will be smaller subsidiary loops, and when the full figure-of-eight is complete by 1985 BR can expect payments from Mercury of more than £2.25m a year.

Mercury did not wait for the agreement with BR before ordering optical fibre cables. In July contracts worth about £8m were placed with GEC Telecommunications for 120 miles of cable, and with BICC

New network's mercuric rise



Intriguing developments: Derek Evans, Chief Executive of Mercury

When Mercury Communications received a licence in February 1982 to build a privately owned national network competing with British Telecom, it was obvious that a new era was about to open in this country's telecommunications. But just how far-reaching the changes would be was much less clear.

To many observers, it seemed likely that Mercury would gain most of its traffic from large business users who wished to send streams of data at high speed over leased lines from one company location to another. Today, the picture is very different.

Mercury's licence allows it to offer a switched service, for both voice and data, putting the company on a par with British Telecom as a national carrier. Mercury has also overcome a number of hurdles to gain the freedom to operate as an international carrier as well.

The next step could be the extension of Mercury's services to the private telephone user, providing a true alternative from top to bottom of the telecommunications market.

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Telecommunications Cables for 320 miles. Plessey Telecommunications will act as subcontractor for opto-electronic equipment.

As well as placing the orders with British companies, Mercury has given a filip to advanced technology by choosing monomode fibre, rather than the multimode type.

Monomode fibre gives a better all-round performance. At present, optical fibres for the British trunk network can have a carrying capacity of 10 Megabits per second (Mbit/s), but Mercury plans to upgrade performance to 560 Mbit/s per fibre.

Another advantage of monomode technology is that the regenerators which boost the signal along its route need only be spaced at intervals of 25 km (15½ miles). A 140 Mbit/s system using multimode fibres requires regenerators every 8-10 km (5-6 miles).

While it is pursuing the high-technology route with optical fibres, Mercury is meeting immediate demands for service with microwave radio. Links are already operating in London using roof-top dishes for line-of-sight communications, and the first connection between London and Birmingham will be achieved with a chain of six microwave sites.

This inter-city link should come into operation before the end of this year, together with the Birmingham city service.

After that it should be optical fibres all the way for the United Kingdom network. The London to Birmingham microwave link will be replaced by fibres late in the third quarter of 1984. By the end of next year, there should be optical fibres linking London to Bristol, Birmingham to

Manchester via Leeds, and Birmingham to Bristol.

The initial network will be completed with an optical fibre link from Manchester to Birmingham via Stafford in the second quarter of 1985, and a London optical fibre ring should be in place a little earlier.

Local distribution to customers' premises will be by radio, using cellular techniques which help to conserve frequencies. Before long, though, some city subscribers may be able to connect to a cable network.

Agreement on wayleaves is the key to this development. Mercury is keeping quiet about who it might be negotiating with, but there are obvious candidates. The tunnels of the London Underground and the now-disused network of London Hydraulic Power are just two possibilities.

For international communications, an agreement was signed with British Telecom International last December giving Mercury access to space segments on satellites where BT acts for the UK as a whole. Since then, Mercury has taken steps to secure links of its own.

It has booked capacity on Intelsat V, which is due for launch early next year, and also on the French Telecom-1 satellite, which is expected to be in orbit in the autumn of 1984. On the ground, Mercury has ordered its first earth station from Marconi at something over £2.25m, and this may be sited close to Oxford Airport.

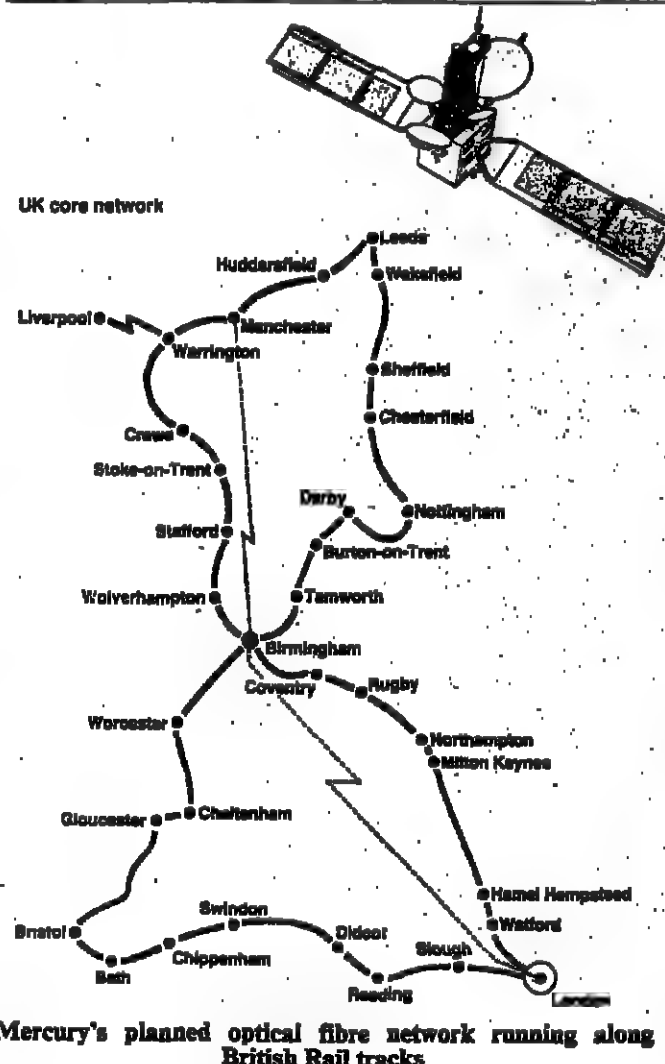
At the simplest level, Mercury will offer cable TV companies trunking facilities to send material from one local operation to another.

Already Mercury is talking to the companies which are seeking cable TV licences, and offering some form of partnership which would exploit the house connections which will have already been cost-justified for entertainment services.

The really exciting developments for Mercury still lie in the future. At present it is offering only leased lines, and its operations are limited to London. As the network develops switched services will become practicable, possibly at the end of next year. Traffic should then build up as more cities are linked into the system.

Will Mercury succeed? The company believes that once the service is there the customers will appear, perhaps in vast numbers. The three shareholders have so far staked nearly £90m on the belief that these predictions are right.

Roger Woolnough



The union at the centre of the row

The engineers' unlikely quarrel

Unions in the telecommunications industry have found themselves in the unlikely role of leading the attack on the Government's plans to cut back the size and influence of the public sector.

In the vanguard of the campaign - against both privatization of British Telecom and the opening up of competition by the private enterprise Mercury group - is the traditionally moderate Post Office Engineering Workers' Union.

The union has for years been part of the right-wing bulwark of the TUC now in the ascendancy. Although its membership remains essentially conservative, the leadership swung dramatically to the left in elections during the summer, with the result that the campaign of industrial action is now being pursued with renewed vigour.

The campaign of "guerrilla" action intensified this month, involving more than 1,000 engineers in BT's international telephone exchanges. Management has retaliated with widespread suspensions, and by moving senior managers into three exchanges in what was described as a "military-style operation".

A left majority on the union executive contains an influential



Bryan Stanley

grouping of Militant Tendency supporters, but there is little sign of dissension among the membership with the leadership's tactics. Ordinary members may not share the executives ideological opposition to privatization, but they are worried about job security and the future of the industry.

A special conference of the POEU in September decided to look for further ways of bringing pressure on the Government, although the actual strategy has been left to the executive. That strategy has now unfolded, with the union taking action in areas which will have the most impact on BT's lucrative business and international traffic.

It is linked to continued action designed to disrupt Mercury's operations as fledgling groups start their full-blooded competition for the business market which provides BT with a large slice of its profits.

The target for action against Mercury has been its three shareholders - Cable and Wireless, Barclays Bank and British Petroleum. Members have been instructed not to respond to BT requests for repairs at their head offices, and in turn, BT has suspended engineers obeying union instructions.

POEU members are also refusing to carry out any work which links Mercury's circuits to BT equipment and so far the link-up work has been done by managers. The union is seeking the support of other unions and is reminding TUC affiliates of the decision taken at Blackpool in September to carry out a

concerted joint campaign against privatization in any industry where jobs were threatened. BT now employs about 240,000 people and the POEU fears that many thousands of jobs are likely to disappear as telephone exchanges become more mechanized. Privatization of BT would give an added impetus to job losses, union officials fear, and they argue it will also lead to a reduction in the quality of service to the customer.

The six telecommunications unions spent more than £500,000 to promote their message in the first union campaign against the Telecommunications Bill, which ran out of time when the General Election was called in June. The only real industrial action during that campaign was a one-day strike in October in which three of the unions participated and since then the POEU has effectively been on its own in adopting a militant posture.

The best indicator of the POEU's determination to take on the Government, however, is what is an overtly political dispute in likely to be its attitude to the legal action

Continued on page VI

The big temptation to shop abroad

British Telecom began hinting that the liberalization of the telecommunications industry would not necessarily mean a bonanza for British industry earlier this year. Mr Charles May, BT's director of research, first sent a shudder through the telecommunications equipment industry when he explained at a private meeting in March that if BT became a private company it should buy most of its equipment from abroad. He said that given the choice he would personally recommend that more equipment was bought from Japan, Sweden and Germany.

Subsequently his thoughts were reinforced by Sir George Jefferson, chairman of BT, who said that there was much room for improvement from the British industry. He indicated that as a prelude to privatization BT was considering shaking up its traditionally cosy relationship with its main British suppliers, GEC, Plessey and STC. Although BT still takes about 80 per cent of its equipment from the big three, Sir George made it clear that BT had already begun talks with IBM, ITC and American Telephone and Telegraph about importing large quantities of United States built telecommunications equipment.

Later BT denied that its official policy would be to buy from abroad.

However the comments are deeply embarrassing for the Government which originally dreamed that the privatization of BT would open up huge new markets for telecommuni-

cations equipment for British industry.

When the Government first mooted the possibility that BT would be privatized it took the view that a host of new entrepreneurial companies would spring up to take advantage of the new markets, particularly for customer equipment, that would be created once the BT monopoly ended. The United Kingdom market for customer equipment is estimated by consultants, PACTEL, to be worth about £230m this year. The market splits five ways with £100m of orders available for small private exchanges (PABXs), about £50m of orders for large PABXs over 100 lines, a £30m market for special telephones, £20m market for key systems and a £30m market for other equipment including facsimiles, answering machines and peripheral telephone devices.

But the original strategy which was designed to shake BT's cosy relationship with its traditional suppliers by providing market opportunities for British firms is not working in the way it was originally intended. To date very few new products have reached the market from private industry.

The established suppliers like GEC, Plessey, STC and TMC are more concerned about BT's threat to buy major items of equipment from abroad than the additional competition provided by a new breed of companies entering the customer equipment market. Ironically those new companies

which have been established are tending not to compete direct with BT for customers. Instead they are tending to compete for work with BT which still has dominant position in the supply of telecommunications service.

BT has also made it difficult for the smaller companies at local level by responding quickly to the changed marketplace.

BT has established 61 regional profit centres to deal with the problem which are able to supply both the basic telecommunications service and customer equipment. In addition BT is building a close relationship with ICL, Britain's leading computer company to offer a new range of products in office automation.

The market for both small

and large PABXs has attracted most attention from new companies hoping to take advantage of liberalization.

Merlin, a small company in Gloucestershire, backed by £1m from the City investing institutions, is one company which has braved the problems to take on the giants of the industry. It is offering subscribers a new

small digital private exchange in one of the first moves to break the traditional BT monopoly in the supply of such equipment. Others who have joined the fray include Small Systems Engineering, while BT is maintaining its competitive edge by continuing to offer its smallest exchanges like GEC's Senator and TMC's Ensign, which serve as

few as four extensions for about £1,000.

Progress has also been hindered by the delay in establishing technical standards for the new exchanges by the British Standards Institution in conjunction with industry. A number of interim measures have been agreed to speed-up liberalization but the delay in setting proper standards means that the real benefit for liberalization in this area will not be felt until next year. Even then buyers are advised not to buy equipment for a few years at least by which time standards will be agreed and there will be true competition and lower prices in the marketplace.

In the meantime Plessey and GEC have both decided to import some PABXs until they have time to develop new systems of their own.

More progress has been made in introducing cordless telephones. The Home Office allocated frequencies for cordless phones earlier this year and the first legal products came onto the market in the Spring. Fidelity Radio, which launched a new cordless phone in conjunction with BT in April estimates that the UK market for the phones could reach one million units a year by 1987. In 1984 Fidelity is looking for a market of about 200,000 units. The latest cordless phones cost about £170 each and employ a small radio link which allows the handset to be used up to 600 feet from the main telephone.

Fidelity has been followed into the UK market by Plessey, Answercall Gemmaro and An-

swers, which are all British manufacturers meeting the Government's stipulation that the equipment should be made in Britain as soon as possible with a high proportion of British parts. Fidelity plans to produce about 170,000 cordless phones each year from its factory in West London, while Conversation Pieces, initially assemble a Hongkong designed phone at its Cheltenham factory and will manufacture about 25,000 phones each year.

The ambitious estimates of demand for the new phones stem, in part, from BT's estimate that there are currently 200,000 illegal cordless phones in use in Britain which contravene Home Office rules on wavelenghts.

The other major potential market for British companies is the relatively simple production of products like fancy telephones, where companies like Conversation Pieces and Astral Telecom are making some headway. Small private companies are also making items of equipment like telephone printers, answering machine and extension phones.

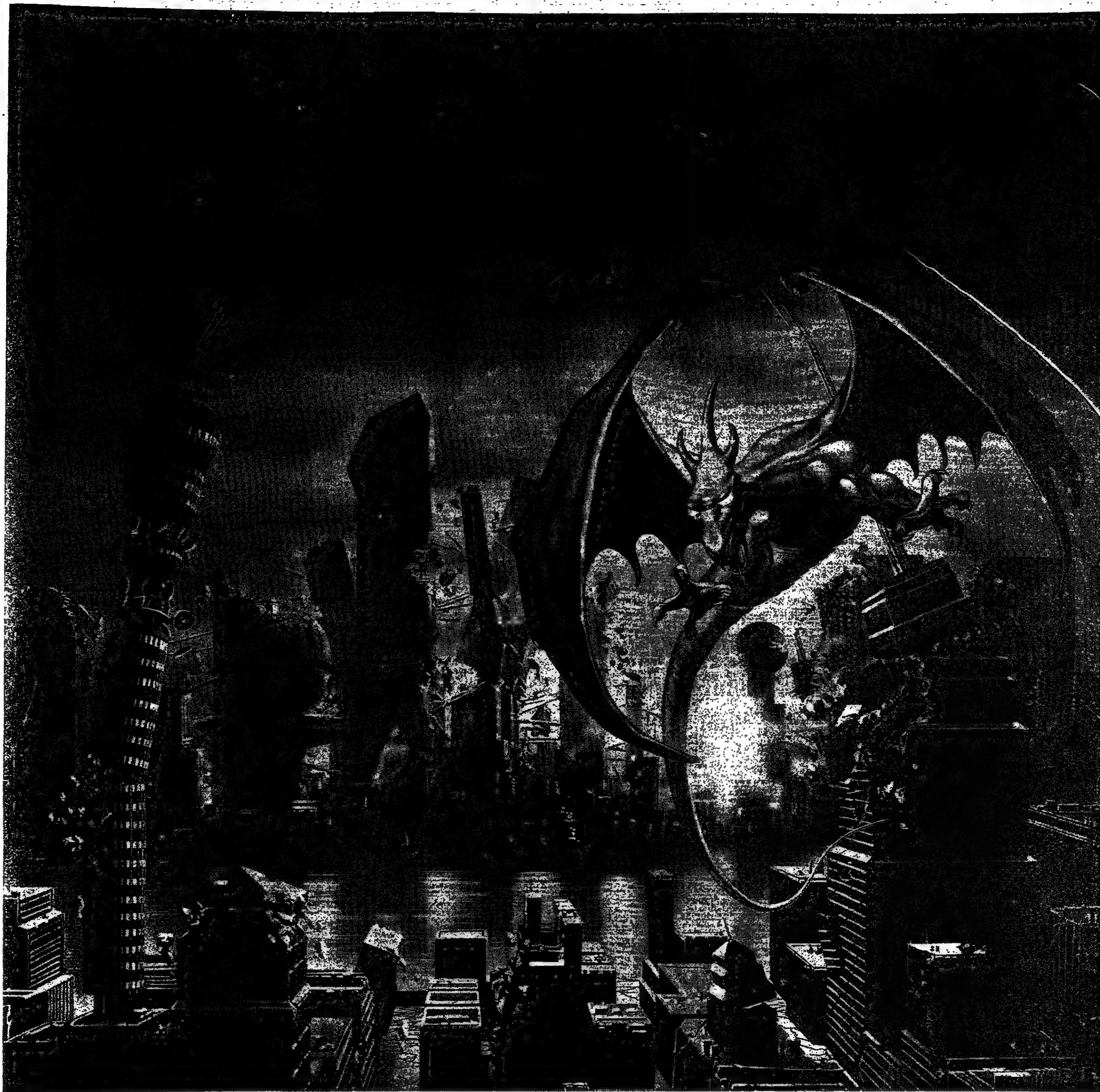
What the Government has yet to discover is whether liberalization will eventually lead to more jobs and a better deal for the consumer, or whether BT's dominant position will be used to squeeze British companies by using its new found freedom to buy from abroad.

Andrew Cornelius



Ready to ring: production line at Plessey

50/10/83



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Putting expansion on the line

Business systems as an annual market in Britain now worth well over £200m, and growth rates as much as 20 per cent a year are being anticipated. As sales volume grows prices are still tumbling, although more sophisticated equipment is constantly being launched to add to the expansion.

This explains the scramble by so many companies to sell both hardware - the machines and gadgets - and the software programming material.

There are around 30 key suppliers of business systems equipment, with many more creeping into the market usually with more peripheral products. About 10 are spending heavily on television advertising to spearhead their promotional drives, and even more have extended campaigns in the printed media, especially the colour magazines.

Among the jostling names are those of companies like IBM, AGL, Wang, NCR, Commodore, Apple, ACT, Sirius, Olivetti, Datamaster, Data General, Hewlett-Packard and Tycom. Software producers like Peachtree have been aiming at a high profile. One of the latest organizations to join the promotional fray is British Telecom's business systems subsidiary, Merlin.

It has been taking television time as well as other media advertising exposure to try to persuade bemused businessmen that it is possible to sell computers and other business systems in plain English.

Bemusement is understandable with so many products on the market. One of the problems is the creation of common standards so that easy compatibility among computer-based products can be achieved, something which could give considerably more impetus to market expansion.

Too-quick obsolescence is a typical worry among companies contemplating new systems. Modular systems, which can be expanded with additional and more sophisticated equipment as a company's demands grow, provide a partial answer to the problem.

Within the industry the expectation is that prices are likely to come down by anything from 10 per cent to as much as 20 per cent a year for the next few years. The tendency with products of comparable performance is to have prices clustered fairly closely although manufacturers

Business systems

may shift out of line from time to time so shopping around is sensible.

But the priority for any business is to get the right software package for its own special needs. Mr Nicholas Staveley, head of marketing services at BT's Merlin division, said: "From that point of view the hardware is not as price-sensitive as it would otherwise be. Even though prices will come down it will not necessarily mean businesses will be spending less."

In the professional personal computer sector, which since IBM's entry into the market has shed its plaything image, prices could come down by 10 per cent a year for the next few years, according to some trade forecasts.

These computers, providing high-density workstations for the executive for around £3,000, have more than doubled their worldwide sales this year. Dataquest, the market researchers, suggest that the worldwide market could go from £6bn this year to more than £34bn by 1987.

Electronic typewriters are selling at an annual rate of around £70m while traditional typewriters, mostly electrical, are worth just under £12m a year, according to trade estimates.

Word processors, including those with full page capacity (a sub-sector worth about £9m a year), have annual sales of about £70m. Shared workstations probably add another £20m in sales. About the same annual sales value is attributed to personal computers with text processing, including hard-copy printers. Various add-on com-

ponents to the electronic typewriters are thought to be selling at a rate of more than £5m a year.

In these fast-moving markets there are obvious overlaps in definition. Nevertheless, taking account of the growing contribution of software, a business systems total market in Britain of £200m is probably a conservative estimate. Some in the trade believe the annual value is now nearer £300m.

In the desk-top business computer market prices can be as low as £600 to £1,000. But typically companies are spending around £7,000 on a new system, according to Mr Staveley at Merlin.



Engineers working on a microwave dish providing data links in central London.

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People in the market will probably continue to get closer to the problems of different types of business and software and hardware packages suitable for a particular industry are now being created. The latest example of this is the Modulus system for retail travel agents, designed by Tourism Technology and backed by the Association of British Travel Agents (ABTA). ABTA has just concluded an exclusive United Kingdom sales and service deal with BT's Merlin division.

It is a modular system allowing for expansion, and capable of everything from single-outlet agencies to the big chains. The main price range is

from just over £5,000 to rather more than £12,000, including all the specialist software.

Systems appealing to other large groups are now in prospect. In agriculture co-operative marketing has already taken hold. The medical sector is another possibility. So are other professions and trades where specific software programmes could be produced to meet their special needs.

The next generation of personal computers is likely to be able to operate with a wide variety of software from most manufacturers. A screen with multiple "windows" could have separate applications running in each window. In software the main thrust is expected to be towards ease of use by the executive at the workstation.

Electronic mail systems are expected to develop further with direct terminal-to-terminal messages.

Videoconferences are another likely development, following the growing adoption of sound-only systems which employ microphones and a telephone link. British Telecom has a couple of videoconference systems on trial and plans an extended trial involving some 20 companies.

DH

DH

After Mickey Mouse how about Snoopy?

Now British Telecom is no longer the sole supplier of telephone equipment in the home competition is bringing a flood of new products into the shops - and some possible confusion for the householder.

Rent or buy? That is one question. There is also the proliferation of new equipment from telephones that remember numbers - and dial them at the push of one button - to the cordless sets which are now starting to be approved. Automatic redialling is becoming another feature.

How about a Snoopy phone shaped like the cartoon character? That is a new addition, after the Mickey Mouse phone, to British Telecom's own offerings in the sector known as decorator phones which also include the various antique and decorative chinaware styles.

More of what the Americans call fax phones, exploiting the more passing fashions like the latest sci-fi here, could be on the way. The United States, with a more mature free market in telephones, has seen a rash of fax phones.

Harrods, which like other retailers has been stocking an increasing number of telephones as demand has increased, now has 20 different models on offer. British Telecom itself has nearly as many. One Danish model at Harrods, which stores addresses as well as telephone numbers in its memory, costs £461.

A cordless phone now approved for use in Britain, the Wanderer made by Fidelity, a British company, is selling at £223 in Harrods. It can take calls or dial them out through the base telephone at a distance as far as 600 feet. Some rather more expensive cordless phones on offer, but not yet approved for British use, have a range of up to seven miles.

Cordless phones link to the main base telephone by radio and are powered by batteries which either need replacing with a quick-fit cartridge or more usually have to be recharged about once a week.

The slowness in approving cordless telephones for the British market is largely because of possible problems with creating interference with other users of radio bands. Home Office regulations have to be met.

The only other cordless phone approved so far is British Telecom's own, the Hawk, which is also manufactured by Fidelity. It is being priced at around £170 and is likely to be sold outright by British Telecom rather than following the

normal practice of offering a rental deal as an alternative to buying.

Making a decision as between renting or buying depends to some extent on the costings for specific instruments. Take British Telecom's feature phone, the Sceptre 100, which incorporates a clock, read-out of a call made, a numbers memory and a re-dialling facility as its main features.

It can be bought for £79.95 and there is an optional phone-care service costing £1.35 a quarter from November 1 when some charges are rising.

On rental if the Sceptre is used as the main telephone there is a common connection charge of £30 with quarterly rentals of £2. If used as an extension phone the quarterly



The Snoopy phone, a new addition to British Telecom's decorator phones. There are also antique and chinaware styles.

rental is \$4.75 from November 1 but without the initial installation charge.

The Statesman, a flat-lying phone in the modern style with press button dialling, can either be bought for £35.95 (with optional phone-care service) or, if it is the main telephone, there is a £17 connection charge with no quarterly rental. As an extension it attracts a quarterly rental of £2.75 from November. All the selling prices include Value Added Tax.

There is another complication. The extension telephones of approved design come with a jack plug. (Approved telephones display a green circle sticker, non-approved a red triangle. The non-approved should not be connected to British Telecom installations. That could mean ripped knuckles or even the loss of the telephone line.)

British Telecom will install jack plug sockets. It costs between £25 and £28 for the first from November and, if the

work is done at the same time, £12 each for additional sockets. VAT has to be added. Quarterly rentals are being dropped.

Telephones with special features like memories are emerging as fast as designers can come up with new ideas. There is call-barring equipment with which the telephone owner can usually at the turn of a key, bar the making of international calls or long-distance calls within the UK. Those from British Telecom cost £40 to connect and £1 a quarter in rental.

Equipment normally attached to small private telephone exchanges allow call diversion allows a subscriber to programme his or her telephone to divert calls to another selected number. This typically costs £10 for the connection from November and £25 a quarter in rental. Call waiting equipment allows incoming calls to be marshalled into a queue.

Although 23 per cent of Britain's 20,500,000 households still have no telephone the biggest growth in the telephone market is expected to come from an increase in extension phones, according to British Telecom. Some 14 per cent of households with phones now also have extensions and this proportion is expected to at least double in the next ten years.

The major growth will be in cordless phones, according to a new survey. Home Telecommunications by Mechanical International, the consultants. As an annual market cordless phones are expected to grow from 30,000 units in 1982 to more than 780,000 units in 1987. By then feature phones are expected to be selling at 250,000 units a year.

A number of companies are developing cordless phones for the British market. One of the stipulations for approval of cordless phones is that their manufacture brings advantages to Britain as with employment. Among the companies developing cordless models are Plessey, Answercall, Conversation, Plessey, Gemmarc and Binestone.

All cordless phones are expected to be restricted for use as extensions at any rate until British Telecom loses its monopoly on primary phones in 1984.

Derek Harris
Commercial Editor

New phones should be cheaper

By the end of this year a wide variety of private telephone equipment will be on offer in Britain as the number of manufacturers competing in the market increases substantially. The sharp competition is expected to push prices down.

The new generation of electronic equipment can also more readily carry the growing volume of data communication which is becoming the hallmark of the electronic office.

British Telecom offers a number of private exchange systems for offices with between four and 36 extensions. Other suppliers in or about to enter this sector include Ansafone, Intercom Communications, Shipton Communications and Tia Communications as well as the more familiar

big companies such as Plessey.

Several North American companies are increasing their presence in the liberalized British market. These include Canada-based Northern Telecom, which plans manufacturing expansion in Britain, and Mitel, another Canadian company. Mitel, recently opened a factory in Wales.

New generation exchanges offer many advantages including the ability to re-route calls within an office, and for extensions to take incoming calls direct and for calls direct and for calls to be referred to particular extensions.

DH

DH



Pick up the phone from the future.

This phone will do things most of us never dreamed possible. It will even transmit data on to a VDU. It will be very much at home in tomorrow's electronic office.

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It undertakes all internal and external communication and it is cost effective from as few as 150 extensions, to as many as 12,500.

It is endlessly adaptable to change - expansion, relocation, computerization - any change in voice or data transmission needs.

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Your present phone system can put you in touch with us.

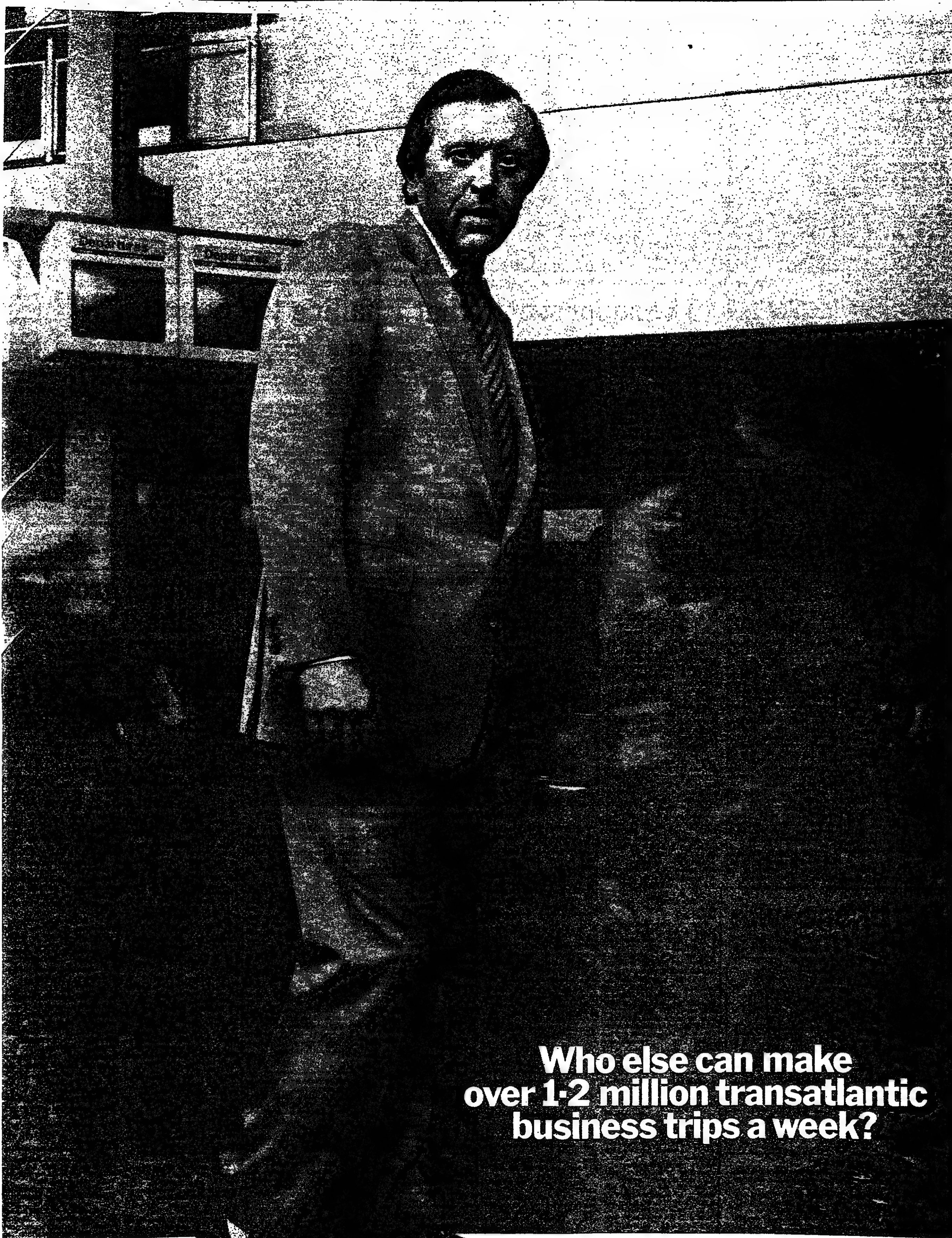
But that is where any similarity ends.

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your telexes, your documents, even a live image

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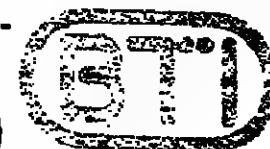
Oh yes, and your voice. Mustn't forget that.

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expensive hardware to handle everything.

If you'd like to know more about how BTI can help your business, contact Elaine Smith on 01-936 2617 for some jargon-free advice.

Or you could come and see us at "Telecom 83" in Geneva. (If you see you-know-who in the departure lounge, give him our regards.)



Engineers on the attack

Continuing from page 11

aimed at stopping the disruption started by Mercury.

The company's writs, based on the Government's labour laws, call on the union and its general secretary Mr Bryan Stanley to rescind instructions to members taking industrial action. It is ironic that Mr Stanley is named, because he has been less enthusiastic about the campaign than his executive.

Official TUC policy is to ignore the legislation and the FOEU executive might be expected to follow that line, although it would risk leaving union funds open to sequestration by the courts.

Union officials accept that there is little chance of changing the Government's mind on privatization, although they believe they can cause sufficient difficulties to make BT an unattractive proposition when the time comes to float 51 per cent of its shares on the stock market next year. The union is also convinced that it can cause real frustration to Mercury's hopes of securing a 3 per cent segment of BT turnover.

The battles over privatization and Mercury are being conducted while the six telecommunications unions are desperately seeking ways of rationalizing their own organization through mergers and membership transfers. The process involves long drawn-out negotiations and a willingness to bury longstanding rivalry between technical, and general unions.

A Communications Council aimed at producing closer cooperation between the unions was set up under the auspices of the TUC, with the long-term objective of a single union for the industry. However, progress has been painfully slow between the two main unions - the FOEU with 132,000 members, and the 200,000-strong Union of Communication Workers.

There has been a move towards a merger between the Society of Telecom Executives and the telecom membership of the Society of Civil and Public Servants. It was thought earlier in the year that the Civil and Public Services Association's 40,000 members in BT would transfer to the FOEU, but the right-wing CPSSA executive has now gone cold on the idea.

The Communications Managers' Association has very few members left in BT, so it would seem obvious to hand those members over to the FOEU. The FOEU also has about 6,000 engineers working in the Post Office, while the UCW (formerly Tom Jackson's postmen's union) has about 40,000 members in BT who are mainly women switchboard operators.

It is in areas such as these when exchanges and transfers of members seem the obvious route, that old prejudices and rivalries prove to be serious obstacles. Each union has its own traditions and heritage and is loathe either to give them up or to dilute them.

All are agreed on the need for a single union and the consequent strength of numbers in an industry where there is a closed shop, but historical differences are likely to take many years to overcome.

David Felton
Labour Correspondent

Number please? How 80 years have changed the face of the telephone exchange



Boys operating a telephone exchange at the turn of the century, and right, a woman operator with headset and speaker. Centre, System X, Britain's newest digital exchange.

Four years ago at the international telecommunications exhibition in Geneva (Telecom '79), Britain launched its new generation System X digital telephone exchange on the world market. Hitherto much maligned, it became a star of the show. The newly formed international marketing company looked set to conquer the world and reverse Britain's rapidly declining share of the world telecommunications market.

Next week sees the opening of the next of these major events in Geneva (Telecom '83). Sadly, it will not be a time to celebrate System X successes. In the harsh reality of one of the most competitive and demanding of all markets, with the exception of one small order from Cable and Wireless for an exchange to be installed in St Vincent in the West Indies, System X has not achieved a single export sale. In that same period, telecommunications administrations (PTTs) and operating companies around the world have ordered millions of digital lines of competitive systems developed by foreign companies.

The digital public telephone exchange (or more appropriately, telecommunications switch) is the key element in the new so-called information technology age. The world market for telecommunications products is currently of the order of £34,000m a year and is growing more quickly than in most other manufacturing industries. But, above all, it is a leading high technology area in which it is vital for Britain to play a major role.

The world's telecommunications networks have developed over the last century, primarily to provide a means of analogue voice communication in which varying frequencies corresponding directly to the sound waves generated by speech are carried through a network of wires, cables, radio links and electro-mechanical switches. Recent new developments in microelectronics have provided both the technical and economic means to begin

replacing this analogue network with new electronic digital systems.

Digital communication enables any form of information - voice, data or images - to be represented and passed through the network in the form of groups of coded digital pulses. Such digital systems offer many advantages over analogue systems in terms of technical performance and cost, but beyond these considerable advantages they represent the beginnings of a fundamental new phase of information exchange.

The new digital networks, and in particular the digital exchanges, are products of a convergence of the technologies of communications and computing. The computer, in the form of the microprocessor, has made it possible to process and store, at an ever diminishing cost, vast amounts of complex information which could not be

handled by conventional means.

Computers within the digital exchange not only handle all the complex switching, control, accounting, subscriber services and maintenance functions, but also "talk" to computers in other exchanges, in data bases, in subscriber telephones and terminals.

Within the next decade much of the old analogue network will have become the new integrated services digital network (ISDN) and many of the humble telephone sets will have been replaced by computer-controlled work stations.

Nearly 300 calls a second

One recent analytical study concluded that in the 1990s some of the larger digital ISDN exchanges will be required to handle nearly 300 calls a second.

The cost of developing a complete range of these switches, from a small rural exchange with about 100 subscribers up to the large international gateway exchange with hundreds of thousands of connections, has become prohibitive to all but the large companies.

Philips put the cost of such a development programme, including adaptation of the switches during their life and to meet foreign market requirements, at about £1,000m. Yet despite this high entrance fee, at least 20 companies in North America, Japan and Western Europe are in the business.

So why has System X not succeeded internationally, and what is its future? Technically there is little to indicate that it is not as good as, and in some cases much more advanced than its competitors. It failed overseas for two main reasons. First, the marketing effort just simply wasn't good enough. While competitors were selling

from the drawing board and offering greatly reduced prices to secure a market foothold, the British companies were holding back, waiting to make sure they had "everything right" before selling, and then reluctant to horse-trade.

Secondly, Britain was up against competitors who enjoyed the total financial and political support of their governments. Contracts have often been part of a broader trade deal, often supported by low-interest loans. Presidents and prime ministers have been used to woo customers, and as we have seen in other industries, as well as telecommunications, Britain cannot compete in that league.

System X exchanges are being installed in the UK network. Four installations are now in service in the local network and 46 orders had been placed for local exchanges by the end of the last financial year, serving a total of about

158,000 connections. Twenty-four System X trunk exchanges are on order, with the first scheduled to come into service in July next year.

In terms of credibility, much hinges on the decisions to be taken in the near future by the Hull Telephone Company and Mercury Communications.

Plessey Telecommunications and GEC Telecommunications now lead the export sales thrust. Desmond Pitcher, Plessey's managing director, remains confident that System X will be a long-term export winner. Much of the System X technology is being incorporated in the next generation digital switch being developed by Stromberg Carlson, a successful US switching company which Plessey acquired last year.

India and China remain high on the list of eventual markets for the British switch, despite our defeat by foreign competitors in the first major round of orders from those countries.

R. J. Raggett

Executive Editor-International, Telephony Publish Corp.

Super telex comes in fast

If any section of telecommunications has an image problem, it is telex. The bulky and noisy electromechanical terminal, the slow speed of sending messages, and the likelihood of transmission errors have all meant that for many people telex has been something to endure rather than enjoy.

Now modern technology is transforming telex. Quiet terminals which closely resemble word-processors are coming out of dark corners and into the secretary's office. Advanced telex exchanges are in the offing, which will make call connections far more efficient.

And hovering on the horizon is a totally new service, Teletex - a kind of super-telex that will overcome most of the remaining disadvantages of the present service, and lower the cost of text transmission at the same time.

It says a lot for the sheer usefulness of telex that it has flourished in spite of its drawbacks. The number of UK

connections is now around 100,000, and the convenience of being able to send written messages all over the world has led to a rapid growth in subscribers.

The benefits are particularly noticeable for international calls. Telex overcomes the problems of time zones, and can help to iron out difficulties with foreign languages as well. About 53 per cent of originating telex traffic in Britain is for overseas destinations.

For the user, the most obvious recent change in telex has been the availability of new terminals. British Telecom now offers two electronic teleprinters, the Puma, a hard-copy machine made by Trend Communications, and the Cheetah, one of the Perfector family made by Standard Telephones & Cables, which includes both hard copy and a visual display screen.

Both these terminals allow automatic calling, message editing, storage and other facilities, and as they are quiet they can be used in a normal office. BT can also provide a compact receive-only telex terminal called Sabie.

Telex is one of the markets where liberalization could have a major impact. Subscribers will be able to shop more widely for terminals, and several companies are offering different types of equipment.

This is not limited to terminals. One British company, Chemiker, is supplying several users with an automatic telex message-switching system, which can control a variety of telex and telegraph lines, and be linked with 32 separate terminals. Another firm, ATS (Communications), has developed a visual display unit which



Electronic challenges in chess on Prestel: child's play?

is compatible with telex, and a link between office computers and the telex network.

Modernization of the network is also under way. At present, telex calls are switched by 51 electromechanical exchanges throughout the country, but these are to be replaced with 11 stored program control (SPC) exchanges.

A two-page letter of about 2,000 characters which would take five minutes to send by telex, could travel in only 15 seconds by Teletex.

Like modern main exchanges for voice traffic, the SPC telex systems will offer facilities such as short code selection, call redirection, delayed delivery, store and forward, and automatic alternative routing.

Despite the improvements being made to telex, it still has some inherent disadvantages.

Messages are in capitals only, and transmission is slow. Hence the concept of Teletex.

Unlike the limited keyboard of telex, Teletex will offer upper and lower case, special symbols, and foreign characters. Built-in memory will allow incoming messages to be stored while outgoing messages are being prepared. And transmission will be far faster than telex. A two-page letter of about 2,000 characters, which would take five minutes to send by telex, could travel in only 15 seconds by Teletex.

Accordingly, Teletex will be cheap. BT has not yet spelled out likely charges, but in Germany it has been estimated that while it costs about 16p to send a letter for next-day delivery, and the same message by telex costs 78p, Teletex would cost only 7p - for almost instantaneous transmission.

International standards have been agreed for Teletex, and some countries have already started services - notably West

Germany and Sweden. Teletex also has the ability to communicate with telex terminals, giving access to the million or so telex users throughout the world, though only, of course, at telex speeds.

Unfortunately, Teletex in Britain seems to be in a classic chicken-and-egg situation. BT hoped to introduce a full national and international service early next year, but is now playing things down because terminals are not available. Terminal manufacturers say they are waiting for modems, and anyway what's the point of offering terminals until there is a service?

Meanwhile overseas countries where Teletex has started may gain an advantage. At least one German manufacturer, Triumph Adler, says it is ready to enter the UK market.

Meanwhile, for all its shortcomings, it seems that telex has a lot of life left in it yet.

RW

Reuters: growing like Topsy

The potential benefits of electronic publishing are easier to spell out than the immense range of possible activities which it may cover. An obvious example is illustrated in the dramatic change in the fortunes of the Reuters international news agency, which is preparing to go public at an expected value of £500m to £1,500m.

The transformation of Reuters from a traditional news agency, unique in its scope of coverage, but operating in the financial news, to a growth company is due to a judicious application of electronics to publishing. More than 10 years ago the agency began building a computer-based information network, whereby news reports filed in any part of the world could be routed automatically to any designated combination of subscribers.

The next step was to use that network not so much for general news, but to fast-track dissemination of high-value business information, such as financial market prices, to a wider range of customers.

But computer-based systems are not in themselves a magic key, through which riches are guaranteed. For instance, the first Fleet Street paper to replace hot-metal type-setting, a manpower-intensive procedure, by electronic photocomposition, was the Mirror Group, now up for sale.

The Press Association is about to embark on a similar course but with a very different approach. From the beginning of next year the PA will be offering only a general output of news from the United Kingdom in a service called Newswire. Subscribers with any Prestel-type of visual data terminal will be able to dial up the service.

Reports will be available on Newswire at the same time as they are transmitted over the agency's teletype network to newspapers and broadcast stations. In addition, subscribers will be able to scan through the current file of the previous six days' stories with the option of calling up the first page, before deciding whether to request a hard copy printout of the entire story.

This service brings much closer the day when the "customer" can create an individually tailored newspaper by choosing items of interest from a list of political, financial, general and sports news, and pressing a button to have them printed out. Another development, judging that idea closer to the real world, is the recent introduction by Philips of a television set with a built-in printer.

Another example of the marriage of telecommunications, computers and electronics in the publishing field was demonstrated last week in the shape of a new system called the Muirhead Electronic Picture Desk.

In the newspaper world the name Muirhead is synonymous with the facsimile transmission of photographs by "wirephoto" from almost any corner of the globe. Its pioneering achievements included the first international transmission of news photographs direct to news-

paper offices via satellite. The event was a Royal tour of South America.

The latest Muirhead development has been perfected in conjunction with Deutsche Presse-Agentur (DPA) for the agency's operations in Frankfurt. Local pictures and pictures received from remote offices by telephone or radio links are converted into a digital format by an electronic scanner and stored on magnetic discs.

An operator can then view these pictures on a television monitor, edit them and retransmit them over the network without requiring to work on a photographic copy. According to Muirhead's development engineers, the final quality of a picture should be better than with previous systems because the computer enhances any obvious optical blemishes, and once the image is stored in digital form it is not subjected to successive stages of reproduction.

The application of computers and electronics to publishing allows firms to retain existing customers by providing a better service.

For instance, newspaper libraries are repositories of a monumental volume of information. Although those of serious newspapers are crucial sources for researchers in

TERMS TO WATCH
TELEX: International low-speed keyboard-to-keyboard transmission service.

TELETEX: System for conveying documents via data transmission, for instance between word-processors.

TELETYPE: System for broadcasting information over the air for display on special tv receivers. BBC's service is Ceefax, IBA's service is Oracle.

PRESTEL: BT's national videotex service giving text plus graphics information over public telephone network for display on tv receiver or vidu.

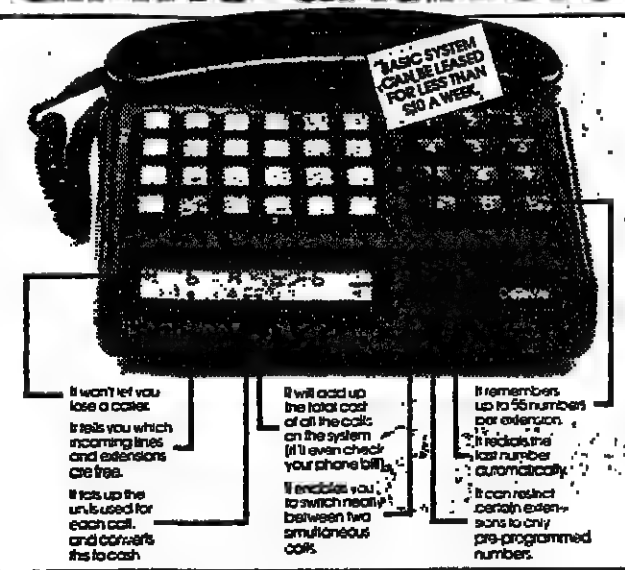
politics, the law, social history and economics they are organized in the main to suit the inquiries of journalists.

Converting those warehouses of information into the sort of computer-based data bank from which subscribers could extract only those items of intelligence related to their particular need over a telecommunications link is now possible. The practicality of doing it depends on cost, and that in turn depends on how much of the material in the printed archives is to be converted into an electronically manageable form.

This is a deliberately narrow look at electronic publishing in order to prevent the subject from becoming too diffuse. But it would be a serious deficiency not to acknowledge the great impact that the Ceefax and Oracle-type of services broadcast over the public television networks are having on the ideas of electronic publishing.

Pearce Wright
Science Editor

The phone with all the answers



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The E12 is totally compatible with the BT network, can replace your existing switchboard and operates as a sophisticated intercom system.

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they will come across untwisted combinations of initials: CSMA/CA and CSMA/CD, for example. They may not be much wiser when it is explained that these stand for Carrier Sense Multiple Access with Collision Avoidance or Collision Detection.

But perhaps the most bewildering thing of all is the rash of proprietary networks which manufacturers of computers and other office equipment have introduced. Wang, Z-Net, DECnet, ARCNET, Etnet - these are just a handful of the LANs being promoted by various companies, and in some cases they have the drawback of giving their best performance only when used with that particular company's equipment.

It was to try to bring some order to the LAN market that Xerox Corporation in the United States introduced Ethernet, with the support of two other American companies - Intel, a leading chip manufacturer, and Digital Equipment, the major manufacturer of minicomputers.

The Xerox plan was to attempt to establish Ethernet as a de facto standard, and the

company has been very free with its licensing policy. There are now many companies producing components which meet the Ethernet standard, and several organizations have nailed their colours to the Ethernet mast, not only for office systems, but also for industrial and educational uses.

International standards

But while Ethernet was promoting its advantages, other moves were under way at more official levels to establish international standards. Local area networks form only part of these plans, which are being carried out by the International Standards Organization under the name Open Systems Interconnection (OSI).

OSI has the aim of allowing information to be exchanged between computer systems regardless of manufacture or geographical location. It's a complex business. A reference model of seven layers has been created, with the idea that each layer will build on the one

below to make more advanced facilities available.

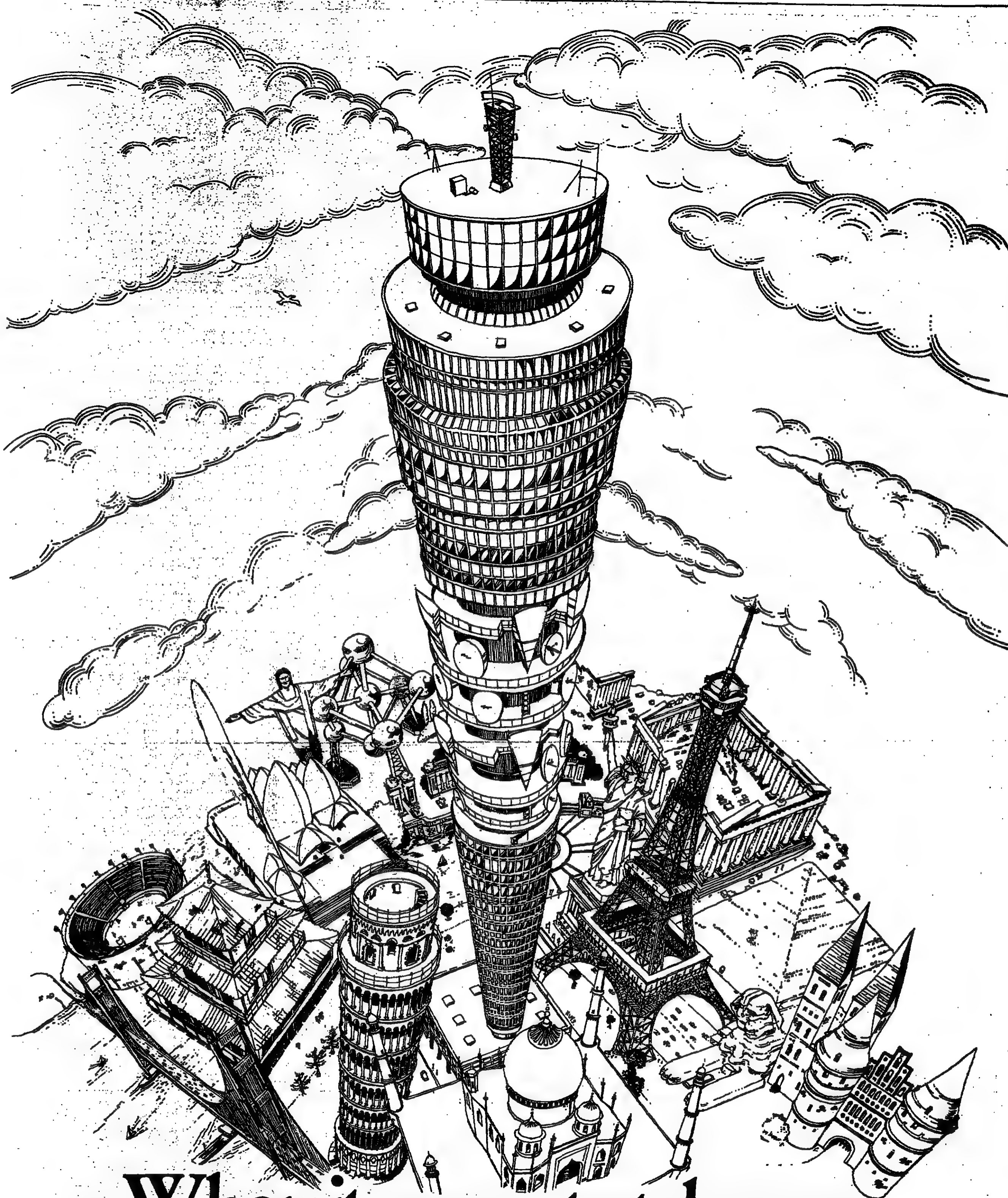
It will take years before standards are agreed for all seven layers, but LANs are well to the fore.

A British-owned company, Digital Microsystems, has more than 500 of its HINet local networks installed in this country, and there are more than 2,000 HINet sites operating throughout the world.

Racal-Milgo, which entered the market with a system called Planet last year, announced recently that it now has more than 2,000 communication connections installed for the system, and orders from more than 20 countries. Business valued at £2.5m has been received, and Racal is planning and commissioning several large systems, with up to 500 devices attached to each one.

For once one clears away all the technical jargon and wrangling over standards, the fact that stands out is that LANs represent a very big market indeed. Tim Holley of Racal-Milgo quotes a forecast by one market research company, IDC, that while there were 3,000 LAN connections in Western Europe at the end of last year, there will be 30,000 by 1984, and 250,000 by 1987.

RW



When it comes to telecoms London towers above the rest.

London has been a major centre of telecommunications for a long time now. It's had the well-proven infra-structure of the British Telecom network, with its national and international links, direct and via satellite.

It's had the benefits of years of massive investment in hardware and systems by British and international manufacturers.

And now it has the advantage of an open marketplace. British Telecom – unlike any of its European counterparts – operates in a

competitive environment, with all the advantages in product choice and keen service that this brings to customers.

Not only is British Telecom competing - we're ahead!

To find out how we can help your company with telecommunications see us at Telecom '83 in Geneva.

Or call us on Freephone Telecom London. If you're phoning from outside the UK call +44 272 294324.

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London

Storm warning for space-age weather news

The simultaneous development of meteorological satellites and powerful computers has improved weather forecasts quite dramatically over the past 20 years. The increased accuracy of medium-range forecasts is particularly striking: today's Met Office predictions four days ahead are as good as those issued for the day after tomorrow when the first American weather satellites were launched in the early 1960s.

However, the advance may temporarily be halted or even turn into a retreat over the next three or four years. The growth in computing power is likely to be offset by a deterioration in the quantity and quality of satellite observations. Europe's present weather satellite, Meteosat 2, was put into geostationary orbit over Africa in 1981; it is expected to stop functioning within a year or so. That would leave an awkward gap until early 1986, when the European Space Agency is due to launch a stop-gap replacement.

This year 17 European nations agreed to spend £250m on a new generation of geostationary weather satellites, to be launched between 1978 and 1990. An international organization called Eumetsat is being created to operate them. Although Meteosat provides the best continuous observations of the European sector of the globe, the American system of five weather satellites (three geostationary and two polar orbiting) is much more important for worldwide forecasting. Therefore meteorologists are particularly concerned about recent indications that the US Government is looking for big savings in its spending on weather satellites (currently put at \$230m a year).

One threat from Washington is that, unless other countries contribute to the operating costs, one of its two NOAA polar satellites may not be replaced. Good observations of Europe (or any other specific region of the world) would then be made every six rather than every three hours.

Polar satellites, which circle the globe at a height of 800 km, give better visible and infra-red images of clouds than the geostationary craft 36,000 km up. They also give "sounding" data - temperature measurements at different levels of the atmosphere. Their disadvantage

of course, is that they are not on station the whole time.

The Soviet Union is the only other country with polar orbiting weather satellites. It does not make observations from these craft (the Meteor series) available over the world meteorological network, but they are much less useful than the American data.

Surprisingly, the Russians do not yet have a geostationary weather satellite. However Japan has one (called GMS) on station over the Pacific. And the latest member of the club is India: its Insat communications satellite, which NASA recently put into orbit over the Indian Ocean, also carries equipment for meteorological observations.

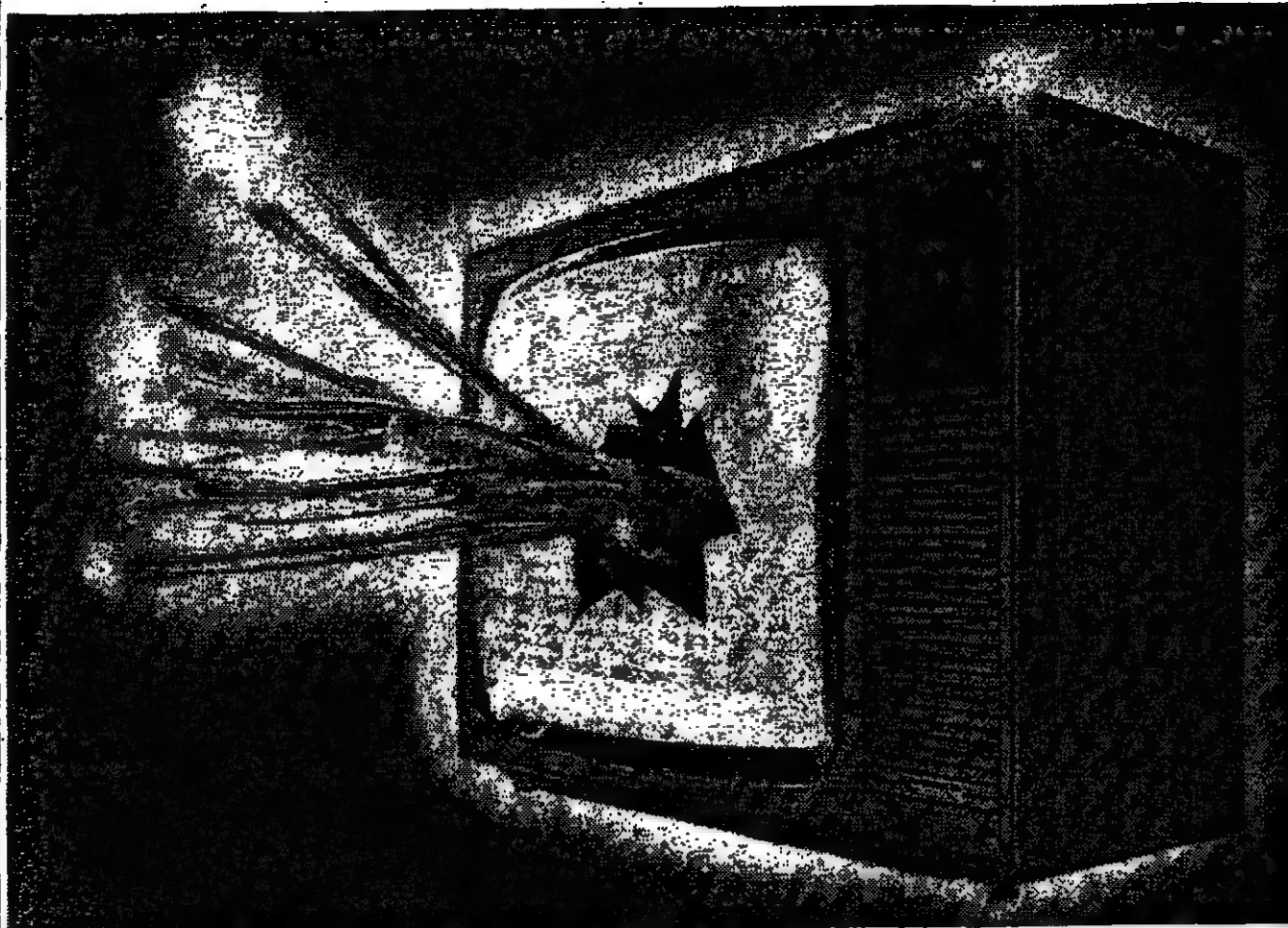
Britain's £14m National Remote Sensing Programme, announced this year, recognizes the point: this country will not build its own satellite (though it will contribute to the European Space Agency's ERS-1 ocean-monitoring craft, due for launch in 1987). Instead the Government's policy is to build a world lead in processing data from other countries' satellites.

For example, the National Remote Sensing Centre (at the Royal Aircraft Establishment, Farnborough) will build up an archive of images from Spot, the land resources satellite which France hopes to launch early in 1985. Spot will be the major commercial competitor to the American's Landsat non-military remote sensing satellite, and Spot-image, a company largely owned by the French Government, has been set up to market the data worldwide.

Spot has poor infra-red facilities compared to Landsat, but its ground resolution - 10 metres, is better. That will make Spot more suitable for mapping. But the superior definition brings Spot to a sensitive borderline, for it should be good enough to begin picking out secret military installations.

By the way of comparison, it should be pointed out that since the early 1970s, low-altitude American military satellites have been able to pick out objects 20 centimetres across. Under the circumstances, the Third World's growing mistrust for remote sensing is quite understandable.

Clive Cookson
Technology Correspondent



Will cable pay its way?

Within the next few weeks the Government will be ready to announce the winners of the battle between rival consortiums bidding for the rights to set up the first of a new generation of cable television stations throughout the country. Initially the Home Office and Department of Trade and Industry will decide on the award of 12 interim franchises to operate multi-channel cable television systems from next year.

The applicants include familiar names like Rediffusion, Thora-EMI and Visionaire, which already operate existing cable networks and powerful candidates like British Telecom and Racal. However, many of the consortiums also include unlikely investors brought in to add "star quality" or local appeal. Thus Ringo Starr, the former Beatle, is involved in the Merseyside Cablevision consortium which is pitching for the Liverpool franchise while Ramon Subba Row, the former England batsman, has joined Croydon Cable.

The early enthusiasm for the new ventures will soon turn to harsh financial reality for those which succeed. It is estimated that it will cost about £30m to put in a complete cable television system to serve 100,000 homes. The gamble is whether British householders are prepared to pay between £6 and £9 (plus vat) each month for a basic cable service which will offer music, sports and general entertainment channels.

Critics argue that half of the homes in Britain will have video cassette recorders within the next two years and may be reluctant to pay for cable television services. Yet American experience shows that cable operators can make money after five or six years and after that British franchises which can last 20 years could easily become licences to print money.

For its part the Government has done all it can to make sure that Britain has the chance to try out the cable television experiment as quickly as possible, and before European rivals begin to cash in on the new markets which will arise. It is estimated that it will cost between £3,000m and £4,000m to recable just half Britain's 20 million homes. The Government is excited about the employment opportunities that will follow. The construction industry alone could benefit from 2,000 new jobs to lay cable in the first instance. Additional

jobs will be created in the cable manufacturing companies such as BICC, STC, Plessey and GEC. After that come jobs in the telecommunications equipment industry, television set companies and among programme makers.

Given the incredible potential offered by the development of the cable television industry, it is remarkable that the subject was essentially a non-issue until the summer of 1981.

Much of the credit for the rapid progress made since then must go to the six-man team of unpaid and largely unknown technology advisers appointed by Mrs Thatcher as her Information Technology Advisory Panel in July 1981. The team which included Mr Michael Aldrich, managing director of Rediffusion Computers and Mr Ivor Cohen, managing director of Mulard, the television set makers, chose to undertake a study of the potential role of cable systems in Britain and the desirability of

a big programme of cable installation.

By January 1982 the ITAP report was ready and recommended that the go-ahead should be given for the widespread recabling of Britain as quickly as possible if the full industrial benefits were to be realized. In March a three-man team of inquiry was established under the chairmanship of Lord Hunt to report on the implications of cable for future broadcasting policy. The publication of the Hunt report paved the way for the decision to allocate the 12 interim cable franchises which are up for grabs now, with future franchises to be allocated by a newly established Cable Television Authority which will be created by legislation due to be introduced shortly.

The Government is keen to encourage the recabling of Britain with optical fibres, which use signals transmitted by pulses of light rather than electric current to offer a

capacity 11,000 times greater than traditional copper cable of the kind used in most applications at present. But a decision to insist on the installation of optical fibres instead of cable would prove costly in the short term and delay the widespread introduction of cable television.

Consequently the Government will not require the use of optical fibre for some years, preferring instead to wait for commercial pressures to dictate the recabling of Britain. Effectively this means that the most attractive areas of the country will be recabled with optical fibres first in order to build a commercially viable base for further expansion. At the same time British Telecom and Mercury will lay optical fibres on trunk routes, through existing and new ducts, and eventually link the new systems to individual cable networks.

A further development is the expansion of the services provided by the existing cable networks to 2,500,000 homes. Operators like Visionaire and Rediffusion have virtually decided that with little prospect of expanding their cable services there was no future investing in the projects. But with the new-found enthusiasm for cable television those subscribers are being offered new services in more than 100 areas.

Although these existing networks will only be able to carry between four and six channels on their old-fashioned copper cable, against a minimum of 25 channels on the new system, which use coaxial cable or optical fibres, the operators do stand an early chance of recapturing a presence in areas which previously had been neglected.

As the optical fibre manufacturers and cable television companies gear up for the new markets which are emerging from the advent of the cable television, some sectors of the industry are already anticipating using the know-how they gain in different areas.

In the meantime the cable manufacturers expect that the recabling of Britain will have gained full momentum by 1987 as the entertainment-led demand for cable services provided by the new cable networks translates into more widespread demand for each house to be linked to a whole range of information and business services, piped via the new cable networks. AC



Installing the new generation of telephone lines requires skills closer to microsurgery than to traditional cable laying. In the picture above, British Telecom technician John Gault joins up two pieces of fibre optic cable beside the AS in Bedfordshire. Telecom is laying the latest "moonmode" fibre between Luton and Milton Keynes. A pair of these glass strands, each thinner than a hair, carries up to 2,000 phone calls. The ends of the two strands must be lined up to within one twenty-thousandth of a millimetre before they are fused together on Telecom's splicing machine. That accuracy is even greater than a microsurgical joining severed nerve fibres.

Opening the skies to satellites

Although for decades it had been the province of the science fiction writer, the satellite is now the most prominent force in domestic and international telecommunications.

Two important lessons have emerged from the United States where the technologies of satellite communication have been successfully harnessed to transport everything from high speed business data to live television programmes across the "frontier" simultaneously. The "open skies" policy of the US Government has meant that satellite operators now enjoy a little interference from government bureaucracy and instead have been encouraged to develop the most profitable satellite communications market in the world.

So success has been the development that even a nervous Europe, protected by their telecommunications "tariffs", has shown signs of learning from the Americans and developing the technology. The second lesson emanating from the United States is that the satellite industry is an expanding area of telecommunications and is a major source of new jobs. The Space Shuttle is effectively a commercial operation carrying satellite payloads to be placed in orbit.

British manufacturers have not been reluctant in responding to the two American lessons, though their progress is extremely modest in relation to that of the United States. However, British Telecom, British Aerospace and GEC-Marconi have formed their own company to exploit the technology on the overseas domestic market. The company, United Satellites, will be responsible for building and operating Britain's satellite for direct broadcasting.

About £85m is spent each year by the British on space projects and over three quarters of that expenditure is funded from the resources of the Department of Trade and Industry and those of the Science and Engineering Research Council - is allocated to projects under the auspices of the European Space Agency (ESA).

The first recent evidence that the telecommunications of Europe and those in the UK are about to be transformed, took place in the second week of this month when the European Communication Satellite ECRS-1 became operational. The satellite, launched from Kourou in French Guiana in June on the European space rocket Ariane, will transmit television pictures into Britain (and across Europe where agreements have been made) for reception by operators of cable television networks who in turn will distribute the programmes locally.

Another satellite, ECRS-2, is to be launched in the spring of next year and will be the primary satellite carrying the telecommunications circuit for the ESA members. The ECRS-1 satellite is the backup satellite for the system and those television channels currently allocated have been done on a preemptive agreement. That is, they will be cut off if ECRS-2 fails so that the satellite can be used by the customers of the primary satellite.

Britain is one of the full members of ESA. The others being Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, The Netherlands, Spain, Sweden and Switzerland. Austria, Canada and Norway participate in a number of programmes.

The channels of these ESA satellites are allocated by an organization called Eutelsat, which represents all the European telecommunications authorities.

It was Eutelsat which allocated the channels on ECRS-1. One channel each was given to Belgium, France, Italy, The Netherlands, and Switzerland with two allocated each to West Germany and the UK. A third ECRS satellite is expected to be launched in about 1985.

Britain is also one of the 109 nation members of Intelsat (International Telecommunication Satellite Organization) which is responsible for coordinating the world's intercontinental and on some occasions domestic telecommunications using a network of 17 satellites placed in orbit above the Indian, Pacific and Atlantic Oceans. All communication satellites are placed in a "geostationary" orbit about 22,300 miles above the surface of the earth which gives the craft the appearance of standing still in space.

Intelsat, using the Ariane rocket this month launches a series of Intelsat satellites. These two-ton satellites, called Intelsat V, are capable of carrying the equivalent of 12,000 telephone lines. Now, more than 50 per cent of the world's international telecommunications traffic is carried by the satellites of the Intelsat network. Maritime communication is also carried by the network.

In 1981 an agreement was signed between Intelsat and the International Maritime Organization (Imarstat) for the lease of maritime communication channels.

Imarstat has made agreements for maritime satellites with the American company

Agreements fixed for maritime satellites

Consent for three satellites over the Atlantic, Pacific and Indian Oceans and the European Space Agency for craft over the Atlantic and Intelsat for satellites above the Pacific and the Indian Oceans.

But it is the ESA which is spearheading the European satellite drive, although there are independent national projects, principally in the area of direct broadcasting by satellite (DBS).

In the last ten years more than a dozen scientific satellites have been launched by the agency but it is the application satellites - telephony, data transfer and television - which are coming to the fore. In the last three years the satellite projects have included Meteosat-2 (meteorology), Marec (maritime communications), Suro-2 (earth observation) and ECRS-1 (communications), also ECRS-2, the largest communication satellite to be built in Europe is due for launch in 1986. The project which is expected to cost over £150m will have a £77m British contribution.

The French are due to launch two satellites called Telecom 1 next year. These are expected to carry telephony and television signals. The German Deutsche Bundespost has two satellite launches planned for 1986 and 87. The spacecraft will be used principally to carry television pictures.

The major British project is the Uisat, direct broadcasting satellite, due for launch in 1986 carrying two BBC channels. The project, expected to cost over £150m, is still a subject of heated political debate. The debate centres around the philosophy of DBS.

BJ

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On Tuesday the seventh Ariane rocket of the European Space Agency was launched placing an Intelsat-5 communications satellite into orbit. The event marked the first time a European launcher had carried a US-built payload, and served notice that Europe is ready to challenge the Americans' near-monopoly of space delivery technology.

Just over four months ago the sixth Ariane rocket placed two satellites ECRS-1 (European Communications Satellite-1) and Amstar (Amateur satellite) into a geosynchronous orbit 36,000 kilometres above ground. The relief and jubilation of the multinational team of designers and engineers at the tropical launch site at Kourou, in French Guiana, was equal to that of the American space technologists when the United States reusable space shuttle, STS-1, made its first flight from Cape Canaveral.

True, the launches from Kourou attracted a brief attention from British press and broadcasting services that they would have probably devoted to an expectant panda at London Zoo. But the dreams and aspirations of hundreds of French, German, Dutch, Italian and Belgian scientists and engineers were riding on Ariane 1-6 and 1-7. For instance, more than 40 manufacturers from 11 countries provided the rocket engines, electronics and thousands of other components needed for each vehicle. More important, the failure

of the fifth launch in September last year was a heartbreaking setback. That flight was intended to demonstrate through Ariane to the increasing number of countries wanting their own satellite for communications, navigation and weather forecasting that they had a wider choice than the United States and Russia from which to obtain a launch vehicle.

Any competitor to the United States and Russia faces the problem of selling against the vast wealth of technical knowledge accumulated over 20 years. Although the space era opened formally in 1957 with the launch of Sputnik 1, satellite communications turned from theory to practice in 1965 when an 85 pound fledgling known as Early Bird soared from Cape Canaveral to relay up to 240 telephone calls and a television channel across the Atlantic.

Early Bird was built with a life of 18 months. But four years after launch, when a satellite of the new generation of a relay station failed, Early Bird was reactivated to broadcast to more than 500 million people the investment of the Prince of Wales.

One of the many sources of potential failure lies in the vibration of the rocket at lift-off and at the early stage of flight when the engines are generating maximum thrust. Meticulous precautions are taken to protect satellites from vibration damage. Rocket launchers are the

workhorses of the space programme, and the Ariane series is not the first collaborative European venture. However, the decision to press ahead with the current programme was taken in 1973 after various surveys forecast that by the early 1990s more than 180 satellites would be placed in geosynchronous orbit for communications and direct broadcasting, including 24 for Europe, and many others would be launched for other applications.

Orders for 24 satellites and options for another 15 are worth £36m.

Although there are 11 countries participating in the Ariane project, the largest contribution of 64 per cent comes from France, with Germany providing another 20 per cent. The total cost of development to completion of the first seven launches is over £500m.

After the test flights of Ariane, the European Space Agency has approved the principle of transferring to an organization called Arianespace responsibility for production and marketing of launchers. Arianespace was formed three years ago and its principal shareholders include 36 European aerospace firms, 11 European banks and the French national space agency, CNES.

where the designs for Ariane originated. Ariane has a capital of more than £12m subscribed by shareholders in the 11 countries.

The transition from the European Space Agency to Arianespace was planned for completion by 1984, after which launches would be conducted on a strictly commercial basis.

Arianespace has already taken firm orders for launching 24 satellites and options have been taken out on 15 more, making an order book worth more than £360m. The prospects for using space techniques are influenced by the economic considerations defined most simply as the cost of placing one kilogram of payload in orbit. At the time of Early Bird that cost was about £2,500.

Clearly, useful payloads weigh in many times more than that and the target is to cut costs by about one-hundredth of the early launches. Ariane can place a satellite of about 4,500 kilograms in geosynchronous orbit, or two payloads of equivalent weight.

Despite a perfectly acceptable start to its career by comparison with other launchers, such as those which form the workhorses of the American stable (Atlas Centaur had five failures in the first eight launches and Titan three failures in six launches), no indulgence was shown to Ariane when it failed. Unfortunately that was the penalty of being a relative newcomer. PW



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

QUIETISTS IN THE CABINET

Undeniably the presentation of the Government's policy for public expenditure has been very maladroit since the election. The guidance after yesterday's Cabinet meeting was that some outstanding details had to be referred to the so-called Star Chamber of three ministers led by Lord Whitelaw, but that otherwise this year's public spending management has fallen into place. That may be no more than a piece of window dressing to conceal the fact that most of the Chancellor's colleagues feel that he and the Treasury have been exaggerating the problem all summer and need themselves to be cut down to size. The more the pity. The Chancellor's position has clearly been aggravated, and therefore undermined, by internal Cabinet politics that will have unfortunate results for the future if ministers prefer the quiet life where public spending is concerned.

The roots of this loss of authority by the Chancellor can be traced to the Cabinet meeting of July 7. On that day, before the meeting, *The Times* published a forecast that Mr Lawson would be demanding cuts of £300 million from departmental budgets. This was necessary to cope with an overrun in the target for this year's spending. It had been caused by an unestimated increase in demand responsive items of expenditure like general practitioner services. Since that could not be controlled, corresponding cuts were going to have to be found in other parts of the budget already covered by cash limits.

The Chancellor's task was clearly made more difficult at that Cabinet meeting where he

was quite unjustly blamed by his colleagues for attempting to bounce them into a decision by the use of a premature leak. It was evidently a bruising experience for Mr Lawson. It has left him politically on the defensive, and certainly contributed to the blandness of yesterday's Cabinet meeting which augurs ill for the prospects that this Government will get hold of the issue of public expenditure early enough in this Parliament to give it some economic and political room to manoeuvre.

If inflation is to be controlled and, preferably, reduced there has to be a constant effort to cut down the size of the public deficit. The deficit leads to inflation and high interest rates. Given the colossal momentum of an overall budget of more than £120 billion it is not surprising that ministers wrestle fretfully during the annual exercise to reduce Government spending. Their choice each year is to reduce spending or to raise taxes - unless they are prepared to take the inflationary course and expand the scale of borrowing. As we have seen, a lower rate of inflation has helped the economy to expand. It must be natural therefore for ministers to favour a course of action which reduces taxes and thus contributes to further growth rather than one which controls the deficit by the imposition of more taxation.

The Government is thus faced with a choice of alternative policies, both of which are entirely respectable, but have different political connotations. The quiet life approach, as we have seen this autumn, does not lead to anything like a quiet life

for ministers. Any ministerial attempt to rein back on planned, or more often unplanned, or more often unexplained, increases in future spending, is greeted with cries of shame and generally held up as evidence of a cruel Government cutting into existing services. Ministers have thus been on the defensive, and unless they are careful, there they will stay. There is no chance of their being able to capture the initiative in this argument about public spending, let alone winning it, unless they can provide the full facts of the case which make these decisions so difficult now, and increasingly difficult in the future. To that they must add some creative ideas about how these difficulties could be ameliorated. That is still sadly lacking.

The Chancellor is said to be keen to open up this debate so that the whole country can contemplate the future, and measure the implications of a quiet life on public spending, punctuated each year by the agonising ministerial exercise of cutting it into shape, against the possibility of more radical thinking about the mix of public and private provision for all kinds of welfare, perhaps even including the question of the retirement age and the long term mill-stone of publicly financed earnings-related pensions. If the Chancellor receives the Prime Minister's support in this argument, he may prevail against those of his departmental colleagues who, in the Prime Minister's favourite expression, have been "nobbled" by their departments. It is not only Mr Lawson, however, who has yet to discover whether or not the Prime Minister has been nobbled too.

THOSE WHO LIVE BY THE SWORD....

The unfortunate inhabitants of Grenada have been thrown out of the frying pan into the fire. The regime of the late Mr Maurice Bishop had long ago broken faith with its more liberal supporters, who helped it into power. It closed their newspaper, *Torchlight*, and imprisoned many opponents without trial. It put off elections and sought aid from Moscow, East Germany, Cuba and Libya, though also from the European Community. At the United Nations it supported the Soviet invasion of Afghanistan. At home it moved towards the Soviet model of a "people's democracy", though without destroying private industry. The economy, poorly managed, wilted under pressures which have buffeted the whole region.

For those who arrested and then killed Mr Bishop, however, the trouble was not too much Marxism but too little. Mr Bishop was accused of being soft on private property and trying to mend fences with Washington, possibly to the extent of wishing to join the Caribbean Basin Initiative. This would have worried the Soviet Union, which probably regards Grenada as a useful strategic foothold at the other end of the Caribbean

from Cuba, conveniently near Venezuela and the rest of the South American mainland. Hence the coup raises two main questions, one about the past and the other about the future. The first is whether Mr Bishop was genuinely trying to move away from Moscow and was unwisely rebuffed by the Reagan Administration. He sent at least two letters to Mr Reagan which elicited only one brief reply. He spent a week in Washington in June and was at first cold-shouldered but then seen by two senior officials.

Had he been warmly embraced and helped as an at least partially disillusioned Marxist, would his policies at home have changed, and would he have been sufficiently strengthened to have fought off his hard-line opponents? Or would these opponents merely have struck sooner? Did they strike this week precisely because he was beginning to make some headway with Washington? We need to know.

The future is equally unclear at this stage. Mr Bishop clearly retained considerable popular support, in spite of his shortcomings. The new rulers will have less support, so their power

base will be narrower and their rule harsher. If they take the country deeper into Marxism they will also worsen its economic problems - unless Moscow steps in with non-military aid - a Soviet rarity indeed - sufficient to make up for the inevitable shortcomings of Marxist economics. So the fate of the new regime depends to a considerable extent on decisions taken in Moscow.

Until now Moscow has been reluctant to commit itself as deeply to other Caribbean and Central American states as it is committed to Cuba, which has been a very expensive asset. It rebuffed the Manley regime in Jamaica, and has been cautious about committing itself wholeheartedly to the survival of the Sandinista regime in Nicaragua. But Grenada would be much cheaper to support than Cuba, and in the present climate of East-West relations Moscow may feel it has little to gain from not treating too heavily on Washington's toes. The possibility that Grenada could become a fully-fledged satellite of Moscow is therefore not to be automatically dismissed. Cuba would welcome it, but there will also be strong regional pressure to hold it back.

TASKS AT TRANSPORT

It would be unfortunate if the rapid passage of Mr King through the swing doors of the Department of Transport led the public mind to any downgrading of the ministerial tasks awaiting Mr Ridley once he has mastered his briefs. The department has been indifferently led under recent governments of both parties and while Mr Ridley may be no Ernest Marples he has the opportunity to break that tradition.

Here is a considerable personal challenge. Mr Ridley must not only survive the butterflies of Otmoor (a pastoral site on the proposed route of the M40) but backbench sniping from his predecessor but one (Mr Howell) who has espoused the cause of a rail link beneath the English Channel. The job will require Mr Ridley to abandon the private politics of the Treasury for the public reckoning with vocal interest groups and delegations which will inevitably include Conservative commuters and Gloucestershire rail-users.

The job at the Ministry of Transport is not one for an atavistic privatizer, impressed neither by the managerial progress recently made in the public bus and rail industries nor by our continuing national fascination with the iron roads. There is nothing shameful in the romance of rail or in a mounting disappointment that it is the French or Japanese and not the British who are innovating successfully in train design and track layout. At the top of Mr Ridley's agenda are the joint

questions of subsidy for the revenue costs of road and rail services and borrowing allowances for capital investment. Peripheral enthusiasm for selling off Sealink or (at long last) letting entrepreneurs into station catering will not help the minister when, as he must, he persuades his colleagues that British Rail and rural bus networks deserve realistic levels of support in their public service responsibilities.

Of course a tension will remain between public service and the necessity of using commercial criteria to secure efficiency in operations. But Mr Ridley has some winners to back. In Mr Reid, the new chairman of British Rail, he has an astute caretaker who, if he can avoid the industrial relations chaos of two years ago, deserves warm support in carrying out the corporate plan bequeathed by Sir Peter Parker. And if the Serpell report is consigned to a bottom drawer, so be it, as long as pressure is kept up on productivity, the ending of restrictive practices and managerial devotion shown at its best in the running of the Inter-City division.

Private money should be introduced not spitefully but experimentally on such schemes as the Victoria-Gatwick link. Concreted over redundant lines may be the end of Victorian civilization, but there is little harm in that: it is noteworthy that turning the lines to Marylebone into special coach roads (privately run?) has now found favour with the planner Professor Peter Hall, who is no

demon of the New Right. Similar principles should apply to the National Bus Company: a careful balancing act is needed to open commercial opportunity but stops short of dismemberment and the sinking of managerial morale.

On roads Mr Ridley faces a sequence of "second-order" decisions that will test his resolve. The stop-go planning of the A1-Archway Road - in north London is a scandal. As with the extension of the M40 from Oxford to Birmingham there comes a point when the "due process" of our cumbersome town and country planning system must end, and a minister must give the starting signal. Landed commuters from Kent and East Sussex will not bless Mr Ridley for the decision he must surely take soon to abandon the anomalous Tonbridge to Hastings rail line.

But Mr Ridley's big test is London - the untidy legacy of Mr Howell's dithering over the subsidy level for London Transport. There can be little doubt that continuing high levels of public subsidy are necessary to sustain an Edwardian tube network and a congested bus service. Mr Ridley's dislike of large-scale collective provision will not obviate the need for him to buckle down to practical questions of apportioning the cost of the public subsidy for London Transport; Mr Jenkin's precipitate moves to abolish the Greater London Council give him little time.

US attitudes to its 'soft underbelly'

From Sir John Whitmore

Sir, Does Jean Kirkpatrick seriously believe that the security interests of the United States are threatened by events in El Salvador or Nicaragua, something to which she accuses West Europeans of being extraordinarily blind and indifferent (*Spectrum*, October 12)? If she does, it can only mean that the United States is far weaker than we blind Europeans have noticed.

I can perhaps reassure her, for I hear that a Nicaraguan spokesman has promised not to invade the United States if the United States will promise not to invade Nicaragua. I have never quite understood how the United States claims the right to intervene in its "soft underbelly", central and southern America, without granting the same right to the Soviet Union with its rather longer and softer "underbelly" - but then I am not an American.

Jean Kirkpatrick finds most disturbing her assertion that Western nations ignore human rights violations in the Soviet Union and her satellites but "focus their protests on the real but both qualitatively and quantitatively lesser violations committed by traditional non-communist anti-communist autocracies in Latin America."

Europe certainly does not ignore Soviet violations, and has repeatedly protested about them, but what does she mean by "qualitatively and quantitatively lesser violations" - unless murder by government death squads does not count, on the basis that if one is dead one is not human and/or one has no rights? Death squad murders in El Salvador alone by the most conservative estimates amount to more than 30,000 in the last four years.

I will confine myself to one further comment on her extraordinary and truly alarming opinions. She speaks of "semantic confusion fostered by the communists themselves through their systematically perverse use of language", and goes on to quote some examples with her interpretation of the correct meaning. My counter, and I am not a communist, requires no interpretation to demonstrate its perversity. President Reagan has named the homeless ICBM, the MX missile, "the peacekeeper".

Rhetoric, deliberate distortion and propaganda are behaviours that we Westerners have traditionally expected from the Soviet Union. Now they emanate more frequently from the United States, sometimes to echo in Whitehall. Inflammatory pronouncements, such as President Reagan's now famous "evil empire" speech and Jean Kirkpatrick's interview in *Spectrum*, contribute nothing to peace nor to European faith in American leadership. Mrs Thatcher, please note.

Yours faithfully,

JOHN WHITMORE,
Deputy Director,
Centre for International
Peacebuilding,
Southbank House,
Black Prince Road,
Lambeth, SE1.

Play's bad language

From Lord Willis

Sir, In his review of the play, *Just a Kick in the Grass* (October 12), your critic made the comment that the Churchill Theatre, Bromley, had refused to stage the play because of its bad language.

This is not true. The play had been rehearsed and although there were some reservations about the coarse language the governing board of the theatre decided to let the production go ahead. However, two or three days before the scheduled opening night we received legal advice which indicated that there was a danger that the play was libellous and that we would be taking a risk and possibly incur heavy damages if we allowed it to be staged.

An emergency meeting was called and the play was withdrawn, solely on the basis of this legal advice. Your reviewer implied an act of censorship which did not take place.

Yours faithfully,

WILLIS,
5 Shepherds Green,
Chislehurst, Kent.
October 12.

Victorian values

From Mr J. G. Otway

Sir, Mr Hartwell's argument for the preservation of the worst brick industrial chimney (October 14) holds true for the inverse structure, namely the well.

Destruction is not so dramatic but the building skill was no less. Yours truly,
J. G. OTWAY,
Dill Cottage,
High Hurstwood,
Nr Uckfield,
Sussex.
October 16.

Forestry policy

From Mr Guy Somerset and Mr Colin Franks

Sir, The letter from Sir Andrew Gilchrist (October 4) highlights the consequences of current forestry policies for the uplands. Commons on Exmoor and the Quantock Hills are threatened by contradictory and wasteful policies pursued by a number of Government departments, statutory agencies and local authorities.

The Secretary of State for the Environment provides funds for conservation and may refuse consent to fencing on common land, yet the Minister of Agriculture subsidises intensive agricultural development.

The Countryside Commission is offering grants for fencing the Quantocks as an area of outstanding natural beauty, but the Nature

Alternatives to custodial sentencing

From Professor Nigel Walker

Sir, I agree with the criminal lawyers whose letter you published on October 14. It is both illogical and a pity that there should be no way of suspending a youth custody sentence - or a detention centre order, for that matter.

The suspended prison sentence saves a substantial number of offenders from entering our prison system at an early stage in their career, without contributing much to the crime rate. To deprive courts of the power to suspend the only custodial sentences which can be imposed on those under 21 is difficult to justify.

Lady James and I argued this in a note of dissent from the Younger Report of 1975: but the majority, who were very optimistic about the therapeutic value of youth custody, rejected our arguments. The first Government White Paper accepted our view, but the eventual Bill did not.

An amendment of the Criminal Justice Act 1982 to put this illogicality right would be very suitable for a Private Member's Bill.

I am, Sir, etc,
NIGEL WALKER,
King's College,
Cambridge.
October 15.

From Mr P. J. Richardson

Sir, Ms Belford and her colleagues (October 14) have raised the point of the provisions in the Criminal Justice Act 1982. If the number of persons under 21 years in custody has increased since the legislation came into force then it may be that the judiciary has been missing the point also.

Ms Belford correctly points out that a custodial sentence may only be passed if the court "is of the opinion that no other method of dealing with the offender is appropriate." It is thoroughly misleading, however, to assert that if the court feels the existing forms of non-custodial sentence are inappropriate then it has no alternative but to pass a custodial sentence.

The Act, in fact, says the court may only conclude that no other method of dealing with the offender is appropriate for one of three stated grounds, namely (i) that it appears the offender is unable or unwilling to respond to non-custodial penalties, (ii) a custodial sentence is necessary for the protection of the public, or (iii) the offence is so serious that a non-custodial sentence cannot be justified.

The complaint is made that there is no power to suspend a sentence, but it is quite plain that the intention behind the Act and the clear meaning of the Act itself are to

The Hoskyns file

From Lord Bancroft

Sir, In his "Whitehall brief" today (October 18) Mr Hennessy accuses me amongst others of taking Sir John Hoskyns's recent lecture seriously. Mr Hennessy confuses higher seriousness with courteous decision. I must therefore make myself plainer.

In the past more than one Minister has been described, with

Peace movement tactics

From Mr E. P. Thompson

Sir, In your leading article (October 17) you say that divisions over peace have now emerged among Western peace groups. If despite the advocacy of millions, cruise and Pershing 2 missiles should be deployed, should the subsequent tactics of the peace movement "be violence or non-violence?"

You argue that "the logic of demonstrations points to violence" in the pursuit of "extra publicity". Since my own name is cited in close juxtaposition to this argument, I must say that my extensive knowledge of the British peace movement (CND, END and the numerous affiliates of the National Peace Council) I have not heard a single responsible voice raised in support of methods of violence?

Our methods continue to be as they were - persuasion, rational advocacy, and every form of non-violent testimony.

It may be that very small groups which advocate confrontations and

British cheese in France

From Mr Tom Jaine

Sir, Your correspondent M. A. Talam asked (October 15) whether a viable market for British cheeses existed in France.

Five years ago we spent an entertaining fortnight selling Christmas puddings, fruit cakes, marmalade and lemon curd, of our own making, at the Caen Fair in Normandy. We also took with us a few hundred weight of cheddar cheese from the Priory Farm at Chertwin Mendip.

Reception of this cheese was enthusiastic, whole trucks being

conservancy Council wants to protect them as sites of special scientific interest.

The Somerset County Council and a district council are paying for fencing, but the Exmoor National Park Authority is buying up rights of pasture in order to prevent further enclosures and loss of common land. One common has been so badly neglected by the district council that invasion of gorse and bracken has limited its use both for recreation and farming.

If commons are fenced they will be able to carry many more livestock and so attract larger annual subsidies. It would be unfortunate if the use of public funds for enclosing commons led subsequently to high compensation payments by the conservation authorities to farmers who agree not to realise the full economic potential of the land.

In the immediate future it is

the effect that if the case is one where the court feels that it would suspend the sentence had it the power to do so, then it is not a case for a custodial sentence at all because the court could not possibly be of the opinion that one of the above three grounds applied.

Armed now with the point of the legislation, Ms Belford and her colleagues will be in a better position to persuade the judiciary of it. If they succeed, as they should, the consequence ought to be that which Parliament intended, a reduction in the proportion of persons receiving custodial sentences.

Yours faithfully,
P. J. RICHARDSON,
6 King's Bench Walk,
Temple, E.C.4.
October 14.

Suspension of parole

From the Director of the Prison Reform Trust

Sir, There is one aspect of the Home Secretary's speech to his party conference which causes particular concern. In announcing that violent offenders and those who have engaged in the importation and marketing of hard drugs should no longer be eligible for parole Mr Brittan has infringed a basic principle of British justice. That is, that changes in the law and in sentencing policy should not be retrospective.

Whatever view one may take of the parole system, there can be little doubt that it is one factor which the judiciary take into account when passing sentence. Those offenders presently imprisoned for the very serious crimes encompassed by the Home Secretary's statement are serving sentences which were imposed in the knowledge that they would be eligible for release on parole after serving one-third of that sentence.

While it may be argued that parole is a privilege and not a right, the assessment of an offender's suitability for release on parole is enshrined in statute. Furthermore, if the Home Secretary pursues his proposals he will *de facto* be extending the length of many sentences imposed by the courts. Criticism of the Home Secretary's speech has been voiced by both prison governors and prison officers. However, the impact on the climate in the long-term prisons would be reduced if the new measures were not retrospective in their coverage.

Yours sincerely,
STEPHEN SHAW, Director,
Prison Reform Trust,
Nuffield Lodge,
Regatta Park, NW1.
October 17.

fairness all round, as the Mary Baker Eddy of economic theory. In the present Sir John Hoskyns's blend of relatively innocent content and compulsively readable style qualifies him, equally fairly, as the Dornford Yates of political theory.

This for my part ends the debate, such as it has been.

Yours faithfully,

BANCROFT,
House of Lords.
October 18.

punch-ups are to be found on the fringe of the West German and Italian movements. If so, these derive from different traditions and are simply trying to make use of the peace movement for their own purposes.

It may also be that they are themselves being made use of for unsavoury purposes by provocateurs, since it could be in the interests of short-sighted security officials to engineer dramatic episodes of violence.

But our friends in the West German peace movement are taking every possible step to "self-police" their own non-violent demonstrations; while in two recent peaceful blockades of the cruise missile base at Comiso, in Sicily, our Italian friends were the victims of indiscriminate police violence, and they were in no way the aggressors.

Yours faithfully,
E. P. THOMPSON,
Wick Episcopi,
Upper Wick,
Worcester.
October 17.

sold with ease. Not only was the taste appreciated but the price was reasonable. We ignored all regulations for cost equalisation as laid down by the common agricultural policy.

The hunger of the French for this, and our other preternaturally British foods, took us aback; as did their constant demand for loose tea, at a price more in line with England than the Gallic high street.

Yours faithfully,
TOM JAINE,
The Curved Angel,
7 South Embankment,
Dartmouth, South Devon.
October 16.

essential that the Secretary of State for the Environment should refuse to allow any new fencing, that the Minister of Agriculture should stop offering subsidies for more intensive farming of the moors and that the county councils, district councils and countryside commission should not pay for more fencing and cattle grids on the commons.

All that would save significant sums of public money, something which should appeal to the Government. In the longer term, management schemes should be worked out to provide for conservation, recreation and the optimum level of farming the commons.

Yours faithfully,
GUY SOMERSET,
(Chairman, Exmoor Society),
COLIN FRANKS, (Chairman, Quantocks Society),
Hoar Oak House,
Alcombe, Minehead, Somerset.
October 4.

Some more 'equal' than others?

From Mr J. R. Lucas

Sir, The Bishop of Southwark pleads eloquently (October 14) for a recognition of men's human worth, but spoils his case by introducing the deeply confusing concept of equality.

True, we are all infinitely precious in the eyes of God, and it could be said that we were, therefore, equally, because infinitely, precious. But when we are dealing with finite matters - finite human beings dividing finite resources - the language of equality has procrustean implications.

It implies, although this is not at all what the Bishop wants to imply, that in a family the one child that is musically gifted must not have extra music lessons unless all the others do too, and that the academically gifted should not be allowed to go to universities which are not available to the rest.

It is no part of the Christian religion to cut people down to egalitarian size, but the concept of equality does require just that. Although in some circumstances, under some conditions, a case for equality in some specified respects can be made out, it is only a limited and precise equality that is then in issue, not the pervasive and overarching concern for human worth that the Bishop is concerned to commend.

What the Bishop is concerned about is of great importance; but his advocacy of human worth and the claim of human needs on us all would be more effective if it did not seem to carry with it egalitarian consequences that are unchristian as well as unjust.

Yours etc,
J. R. LUCAS,
Derision College,
Wolverhampton.
October 14.

Public spending

From Sir Ian Gilmour, MP for Chesham & Amersham (Conservative)

Sir, Sir Douglas Hague (feature, October 18) claims as a matter "of logic not of judgment" that "if productivity (efficiency) in the public sector rises more slowly than the private then - given the same rates of pay in each - either tax rates must rise continually or the volume of public sector activity must be progressively reduced".

This proposition, if it were true, would be extremely important, but it is itself logically flawed.

If the Government employs a constant proportion of the workforce and all rates of pay rise together, then the proportion of Government expenditure in the money national income will be constant, given uncontroversial assumptions about profit margins and so on. This will be the case whatever the relative rates of growth and productivity in the public and private sector.

Under these conditions the volume of public sector activity will rise at the same rate as the workforce while the share of tax revenue in national income, the tax burden and average tax rates will all be constant, not rising.

I am, Sir, your obedient servant
IAN GILMOUR,
House of Commons.
October 18.

New light on Elgin

From the Dean of St George's Hospital Medical School

Sir, Lord Elgin has been getting rather a bad press lately, at least from some Greek sources. It therefore seems worth pointing out that during his tour of Greece in 1801 during which Elgin removed the Parthenon marbles he also introduced vaccination to Greece, and energetically promoted its use. This undoubtedly saved many Greek lives.

I am not presuming to enter the debate on the rightful home for the Marbles, but shouldn't there be a statue of Lord Elgin on the Acropolis?

Yours faithfully,
RICHARD WEST, Dean,
St George's Hospital Medical School,
Cranmer Terrace,
Tooting, SW17.

Well shod

From Captain H. R. Leach

Sir, From where does the British Army now get its footwear? Today's boot we learn (*The Times*, October 12) barely lasts a landing near the Dardanelles.

Twenty-one years ago a kindly quartermaster gave me a pair of "shoes, officer, walking out". Since then they have marched me around Canterbury and Crater; carried me across the Himalayas and Hindu Kush; tramped me along the Pennines and Ridgeway, and pedalled me around Somerset and Shropshire. Now they walk me some eight miles daily through the streets of London.

We both look set for another decade. I am, Sir, yours better shod,
HUGH LEACH,
21 Choumert Square,
Peckham Rye, SE15.

Yours disgustedly

From Mr Richard Cobb

Sir, Having recently had a book published about my childhood in Tunbridge Wells, I have received a score of letters from inhabitants of the Royal Borough.

All of these, though posted in Tunbridge Wells, bear the postmark "Tonbridge". Has the Post Office suppressed the Royal Borough? Yours disgustedly,
RICHARD COBB,
165 Gosden Road,
Wolvercote, Oxford.

Investment and Finance

City Editor
Anthony Hilton

THE TIMES

City Office
200 Gray's Inn Road
London WC1X 8EZ
Telephone 01-537 1234

STOCK EXCHANGES

FT Index 691.0 up 12.6
 FT 100 Index 31.38 up 0.19
 FT All Shares 432.03 up 5.45
 Bargains: 16.885
 New York: Dow Jones
 Average: 1248.88 up 2.13
 Tokyo: Nikkei Dow Jones
 Index 9,318.55 up 38.75
 Hongkong: Hang Seng
 Index 790.11 down 4.23
 Amsterdam: 148.9
 unchanged
 Sydney: AO Index 683.9 up 4.1
 Frankfurt: Commerzbank
 Index 989.9 up 2.90
 Brussels: General Index
 125.15 down 0.82
 Paris: CAC Index 138.7
 down 0.3
 Zurich: SKA General Index
 290.4 down 0.9

CURRENCIES

LONDON CLOSE
 Sterling \$1.4985 down 20pts
 Index 83.3m unchanged
 DM 3.88 down 0.0025
 FF 11.85 down 0.01
 Yen 348.50 down 1.0
 Dollar
 Index 125.7 down 0.2
 DM 2.5894
NEW YORK LATEST
 Sterling \$1.4975
 Dollar DM 3.8895
INTERNATIONAL
 ECU0.579723
 SDRE0.710204

INTEREST RATES

Domestic rates:
 Bank base rates 9
 Finance houses base rate 10
 Discount market loans week
 fixed 9
 3 month interbank 9%-9½
Euro-currency rates:
 3 month dollar 9½-9¾
 3 month DM 5¼-5½
 3 month FF 13¼-13½
 3 month Yen 13¼-13½
 US rates
 Bank prime rate 11.00
 Fed funds 9½
 Treasury long bond 103¼-104¼
ECGD Fixed Rate Sterling
 Export Finance Scheme IV
 Average reference rate for
 interest period September 7, to
 October 4, 1983, inclusive:
 9.719 per cent.

GOLD

London fixed (per ounce):
 am \$390pm \$388.75
 close \$393 (\$262.25)
 New York latest: \$382.75
 Kruggerand (per coin):
 \$404-405.50 (\$269.50-270.50)
 Sovereigns (new):
 \$91.50-92.50 (\$61-61.75)
 *Excludes VAT

TODAY

Interims: Blumel Bros, William Cook & Sons (Sheffield), Midsummer Inns, Stanley Miller Holdings, Uniflex Holdings.
Finals: Goodman Brothers, Lowland Investment, North Sea Assets, Rand Mines Properties.

ANNUAL MEETINGS

Breville Europe, Angel Hotel, Guildford, Surrey (11.00).
 Deborah Services, 27/28 Lovat Lane, EC3 (11.30). Land Investors, Churchill Hotel, Portman Square, W1 (noon).
 Beryside Hotel, Ascot, Berkshire (11.30). Bristol Channel Ship Repairs, Channel Dry Dock, Cardiff (11.30).
 Watsham's, High Road, Willesden, NW10 (noon).

● The Japanese Government is expected to adopt a comprehensive economic package today, intended to improve the nation's strained trade relations and boost its economy at home. Meanwhile, the Bank of Japan is ready to ease credit for the first time in nearly two years. Lowering the official discount rate, on which most other interest rates are pegged, will allow long-term loan rates to come down, and should offer a "psychological" boost for business.

● The US Gross national product (GNP) grew at a healthy 7.9 per cent annual rate in the third quarter. The Commerce Department said in its preliminary estimate for the July-September quarter that the growth came from the building of inventories by businesses and from final sales, which were buoyed by consumers and government and net exports. The latest GNP gains follow an annual 2.6 per cent growth rate in the first three months of the year and a healthy 9.7 per cent growth in the April-June quarter.

● The US said it had concluded agreements limiting imports of specialty steel from five more countries. Mr Bill Brock, Trade Representative, who has already announced agreements with Sweden and Austria, said he had completed agreements with Japan, Canada, Poland, Argentina and Spain. Altogether, the agreements cover about 66 per cent of specialty steel imports.

Bank Governor offers no protection from foreign competition

Market forces will determine future of the Stock Exchange

By Peter Wilson-Smith, Banking Correspondent

Competitive pressures will play a big part in determining how the Stock Exchange evolves, Mr Robin Leigh-Pemberton, Governor of the Bank of England, said yesterday.

He also indicated that the Bank of England had no preference as to how the trading system of the Stock Exchange develops in the years to come, although it was concerned to see an efficient market with safeguards for investors.

Mr Leigh-Pemberton was speaking at the Lord Mayor's banquet in the City, his first big engagement since taking over as Governor in the summer.

It is also the first time the Bank of England has spoken out publicly to clarify its views in the changes afoot in the stock market, on which it is certain to have a considerable influence because of its monitoring role.

Mr Leigh-Pemberton gave no sign that the Bank of England was aiming to protect British firms from foreign competition. "It has been recognized that competitive pressures will do much to determine what sort of trading structure is needed for a flourishing Stock Exchange."

However, he emphasized that the Bank had various important considerations in mind while overseeing changes. He said the present system of trading providing effective protection to the investor.

"It also provides an effective central market, including a very efficient one in government debt, and the jobbing system ensures that there is a continuous market when trading conditions are difficult as well as when they are easier."

"A further necessary test for any alternative arrangements is thus whether they could assure a comparable market-making capability, avoiding fragmentation and a reduction in efficiency."

Despite this, Mr Leigh-Pemberton refrained from giving any indication whether he thought single capacity was necessary for either investor protection or an efficient market. He made clear that the Bank remained open-minded.

The Governor acknowledged the uncertainties caused by the process of change but rejected the idea of laying down hard and fast rules.

"That would be a sure way to make the central market in the Stock Exchange lose business, much, no doubt, to overseas competition."

SE removes overseas rates

By Wayne Lintott

The Stock Exchange Council yesterday took the first step in dismantling minimum commissions by introducing negotiated rates on overseas securities. New rules for dealing in overseas securities will also be introduced.

No decisions have yet been taken on the method of dismantling commissions on other securities, the council added.

Rules relating to designated dealers will be replaced with ones that permit member firms to form subsidiary companies that will deal in overseas stocks.

The new rules say that international dealers, which can be formed by jobbers and brokers alike, must be incorporated as limited liability companies under the control of member firms.

A majority of the directors must be members of the Stock Exchange and the companies can only deal in overseas securities and as principals.

The new subsidiaries will not be covered by the Exchange's compensation fund which guarantees the debts of member firms.

The council is still working out the details and will be holding talks with member firms, then when completed will publish a full list. The council wants the new rules to be effective from March 31.

The changes had been widely expected. Jobbers and brokers can now form joint or individually-owned subsidiaries to compete more effectively with the big foreign brokers operating in London and visa versa.

The outside commercial organizations which were allowed to deal direct with jobbers on foreign stocks, designated dealers, will now have to deal with the new international dealers.

Plea for risk-takers

By Derek Pain

An outspoken plea for more help and encouragement for investors was made last night by Sir Nicholas Goodison, Stock Exchange chairman, at the Mansion House.

He said: "We have gone too far along the road of punishing savers who put their money directly at risk in industry and commerce. We now need to do something positive to implant risk-taking attitudes and to nurture a popular interest in industry."

He added: "We must encourage people to hold shares in British industrial and commercial companies, and units in unit trusts, so that they can understand how important industry is and therefore support, with their votes, policies which encourage the development of industry."

Sir Nicholas maintained that some of the "punishments" now inflicted on investors could be removed without great difficulty.

The investment surcharge was an unfair way of taxing income twice, the complications of capital gains tax were now "beyond ordinary human understanding".

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New rules to cover takeover advice

By Jeremy Warner

The way in which the Office of Fair Trading gives confidential guidance to companies on whether takeover bids can be made has been set out in new rules to be introduced by the Office of Fair Trading and Mergers Commission reference is to be confined within strict guidelines.

The absence of any clearly-defined system for seeking guidance has prompted allegations of abuse of the facility and confusion over Government intentions in several instances.

Procedures for seeking and receiving guidance are being drawn up as part of an internal review of competition policy by the Department of Trade and Industry.

The review, which is nearly completed, has also recommended that the qualifying level for mergers to be scrutinized by the Office of Fair Trading be raised from companies with assets of £15m and over to those with £25m. This will reduce considerably the 200 or so mergers a year which the OFT studies.

But the government department has, for the moment, stopped short of the wide-ranging reform of mergers policy that some in the City and industry have been demanding.

Mr Alex Fletcher, Under Secretary of State at the Department of Trade and Industry, said in a speech on competition policy yesterday that there are big advantages in the flexibility of the current system for scrutinizing mergers.

The new guidelines on confidential advice are being laid down to prevent abuse of a system that industrialists recognize, as a helpful way of determining the Government's attitude to a takeover bid before it is launched.

In his speech, Mr Fletcher conceded that predictability was not achievable under the British system for looking at mergers.

"The essence of the system is flexibility and comparisons with the contrasting German and American systems show that there is a trade off between flexibility and predictability," he said.



Morton: "no difference" to Moorside deal

Boardroom row at Guinness Peat

By Our Banking Correspondent

A long-standing non-executive director of Guinness Peat has resigned after a boardroom disagreement over the terms of Guinness Peat's latest deal.

Last week the banking and financial services group, which has started a long struggle back to health, announced plans to buy Moorside Trust, an investment trust for £21m.

Guinness Peat plans to pay in shares for Moorside then sell off the investments to strengthen its balance sheet.

However Mr Giorgio Rossi, a non-executive director, disagreed with the terms of the merger, though he favoured the deal, Guinness Peat said in a statement yesterday.

Mr Rossi is a director of Compagnie de l'Occident pour la Finance et l'Industrie SA (Cofi), which controls 8.33 per cent of Guinness Peat, and there is speculation that he will vote against the merger when it comes up for shareholders' approval.

Mr Alastair Morton, chief executive of Guinness Peat, said yesterday that Mr Rossi's departure would make no difference to the Moorside deal.

BTG may opt for buyouts

By Andrew Cornelius

The Government is considering selling parcels of share stakes owned by British Technology Group to the companies own managements as one of a series of options to wind down BTG's investment role.

The buyout alternative is favoured by the Government as the quickest method of disposing of BTG's holdings in 61 companies with an asset value of £152m.

This month BTG was told that it would have to sell its stakes in the companies and abandon its investment role to concentrate on the transfer to technology from the innovation stage to commercial use.

A final decision on exactly how the BTG will be funded in future and how quickly its assets have to be sold will be taken next week.

Mr Brian Willott, chief executive of BTG said yesterday that it expects a decision on Sir Frederick's successor within the next few weeks.

He expects the Government to produce details of how BTG should remain self-funding and yet carry out the technology transfer by early next year.

The decision on the disposal of assets, including BTG's stake in Immos, the microchip manufacturer, will be taken once these guidelines are ready. Both the National Research Development Corporation and the National Enterprise Board, which produce separate accounts within the BTG stable, made profits last year.

Reuters sell-off 'going well'

Lord Mathews, chairman of Fleet Holdings, publisher of the Daily Express and Sunday Express, said yesterday that the proposed Reuters flotation was going "very well".

Shares of the news agency and financial communications group are expected to come to the stock market next spring, pricing the group at between £1,000m and £1,500m.

Speaking at the yearly Fleet shareholders' meeting, Lord Mathews refuted suggestions that a Reuters trust deed made the flotation illegal.

Shares rally after losses

WALL STREET

New York (AP - Dow Jones) - Shares held their gains in a modest rebound in early trading yesterday after two days of losses.

The Dow Jones Industrial average was up about 2.5 points at 1,249 and the transportation average was up about 5.2 at 589.

Advancing issues were 7-10-6 over losses. Trading was active.

Mr Michael Metz, vice-president at Oppenheimer, said: "The market seems to be trying to stabilize but I am a little sceptical because there seems to be a little more erosion ahead before we get an upturn."

Digital Equipment was down 4½ at 67½, American Telephone & Telegraph down 1 at 62½, Raytheon up 1½ to 44½, Zenith up 2½ to 33½, Brunswick Corp up 1½ at 51½, Cray Research up 2½ at 50, Waste Management down 1½ to 40½ and AMR UP ½ to 31½.

Insurers attack 'unfair' European advantage

Allianz bid angers UK firms

By John Lawless and Andrew Cornelius

The Allianz bid for Eagle Star yesterday raised the hackles of British insurers, who are severely restricted from business in West Germany - and coincidentally with a survey from the Committee on Invisible Exports on trade barriers.

The committee's survey, which is being studied by the Department of Trade and Industry, has been conducted over three months, taking evidence of business trends and the overseas potential from all its members. Mr William Clarke, its director general, said yesterday: "We have been asking where the shoe is pinching - by seeking firm examples of obstacles."

A package of complaints and proposals will be prepared for the next ministerial meeting of the General Agreement on Tariffs and Trade in a year's time, with case histories that the department is collecting from trade associations.

It is hoped that these will be multilateral negotiations, to pave the way for liberalization of trade in international services such as banking, insurance, shipping, aviation, consultancy and data transmission - a move initiated by the US at last year's ministerial meeting.

The EEC insurance market remains the most contentious subject. British companies are angry that the German company should be able to take advantage of the freedom of the London financial market when it is almost impossible for them to take over companies in some other European countries.

Although most of the large composite insurance companies - including Royal, Guardian Royal Exchange and Commercial Union - have offices in West Germany, they have never been able to complete a takeover, and thereby grab a significant place in the market.

State control in France have prevented similar moves. The problem is worse for brokers, because a number of countries insist that they cannot conduct business if they do not have offices within their borders.

The EEC, in a long-running battle, has just formally asked West Germany why it has failed to implement a 1978 co-insurance directive - the first step towards a prosecution in the European Court of Justice.

City Editor's Comment

Lording over the monopolies law

Lord Cockfield is dead. Long live Lord Cockfield. It would be a trusting industrialist indeed who reached any other conclusion than this after reading the latest ministerial pronouncement on completion policy yesterday.

Mr Alex Fletcher, the minister responsible for takeover policy at Trade and Industry, is clearly at pains to assure the world that the Quixotic and inconsistent rulings of the former ennobled Secretary of State for Trade are a thing of the past.

From now on, he says, takeovers will be referred to the Monopolies Commission only after the most careful scrutiny, with the presumption clearly against such a move. The Government will make it its business to give as much guidance to the market as possible on the reasons behind its decisions.

The system by which companies can get a confidential ruling on whether or not a takeover is likely to be ruled out of court will be reviewed and, by implication, improved.

It may well be that these words of reassurance prove to mark a significant shift of emphasis in merger policy. By any definition, Mr Tebbit, the new overlord at Trade and Industry, is no Lord Cockfield.

His first instinct is always likely to be that the market should be left to its own devices. (It is an amusing thought to speculate on what the new industry secretary would have made of the pro-Sotheby's lobby when the felt manufacturers first made their unwelcome approach. One suspects he might have been somewhat less sympathetic than his predecessor.)

But while Mr Fletcher may be making all the right reassuring noises, he has hardly given up the Government's prerogative to intervene. The Director General of Fair Trading may play an "essential role" in analysing each case and in most cases ministers will follow his advice, says the minister, but "ultimately ministers have no option but to weigh the issues for themselves".

The system for considering competition is "essentially discretionary" and "there are few rules". The system is designed to allow ministers to "take the decisions that seem to them right in the circumstances."

This of course is precisely what Lord Cockfield was all about. After Sotheby's, the Royal Bank of Scotland and House of Fraser, to name but a few, it will need a consistent record of sensible government decisions to convince the sceptical businessman that ministerial talk about the need to avoid "capricious" decision-making is anything but pious waffle.

'Unfixing' the commissions

The new rules proposed by the Stock Exchange Council for dealing in overseas shares are a welcome first step in the dismantling of fixed commissions generally. Certainly, not making them enforceable until next March gives members plenty of time to review their future policy.

But the move is peripheral to the central problems involving the total removal of fixed commissions. What the announcement does not deal with are the levels of equity to be sold in international Dealers to non-member companies and the amount they should pay for the privilege of financing brokers trading in overseas securities.

The first problem is where smaller companies will get the money to trade. Total world equity capitalization shows the United States accounting for 65 per cent, then Japan with 15 per cent and Britain with 6 per cent.

A transaction of 100,000 shares in New York is small so to deal realistically, firms will need large amounts of capital. To trade as a principal or market maker will involve owning millions of shares and in that case capital needs will be enormous.

Even the British brokers think twice about such a policy - which goes some way to reveal why the big finance institutions like Exco International are invited into negotiations to buy stakes in the new International Dealers.

NET ASSETS UP £80 MILLION SINCE MARCH 1983

- Total net assets increased from £947m to £1,027m (+8.4%) in six months to 31st August.
- Over 1,000,000 new shares issued in this period to meet international investors' demand.
- Drastic switch from dollar and sterling investments into Dutch guilders (38%) and deutschmarks (38%), at the present time.
- Share price up from Fls 185.40 at end of February to Fls 196.50 (£44½) on 10th October, an increase of 6%.

Rorento, founded in 1974, is a fixed interest-based trust designed for investors interested in high yields over the longer term.

Rorento is part of the Robeco Group of investment companies, based in Rotterdam, Holland, which, between them, have assets of around £4,000 million.

To: Rorento NV, Dept. 386, P.O. Box 973, 3000 AZ Rotterdam, Holland.

Please send me a copy of the RORENTO half-yearly report for 1983/84.

Name (CAPITALS PLEASE)

Address

RORENTO
 The Bond and Currency Trust in the Robeco Group

INVESTORS' NOTEBOOK ● edited by Michael Prest

Half-year to 30.9.83
 Pretax profit £435,000 (£459,000)
 Stated earnings 1.37p (1.5p)
 Net interim/dividend 1p (same)

The drought - which may have eased - has not directly hurt output, but the huge cost of keeping water flowing to the power stations can be expected, given the Electricity Supply Commission's record, to be reflected in customers' bills soon. Capital expenditure on shaft sinking and underground development is still considerable.

Atlantic Resources results are

The improvement in pre-tax results comes after a sharp reduction in research and development expenditure from £855,000 to £132,000. Results for the previous years

sell at a remarkable 32 times likely 1983 untaxed earnings and yield a tiny 0.3 per cent.

[illegible]

Copies of the Annual Report and Accounts
are available from Granby Registration Services, Bourne House, 34 Beckenham Road,
Beckenham, Kent BR3 5TU.

The Spectator
75p weekly.

Retail business also increased, particularly in colour television and video recorders — We are expanding our range of equipment offered for sale with particular emphasis on audio equipment and home computers.

**Conran Associates,
28 Neal Street, London WC2H 9PH.
Telephone: 01-240 3474.
Telefax: 25701.**

20th October, 1983

Contact us and tell us who you are.

127 Champs-Élysées 75008 PARIS - FRANCE
Tel. (1) 720.83.90 - Telex: 650825 F

APPOINTMENTS

Lord Ezra elected BSI chief

British Standards Institution: Lord Ezra has been elected president, to succeed Sir Frederick Warner who is retiring.

Reed International: Mr Colin Barker has become a non-executive director from November 1. He succeeds Mr Howard Macdonald who is taking up a post as chairman and chief executive of Dome Petroleum.

The Post Office: Mr Bryan Roberts has been made director of the Postal Pay and Grading Department.

More O'Ferrall: Mr Peter Hall, group company secretary, is joining the board from November 1.

A. I. Industrial Products: Mr David Valentine has become group managing director.

Richards Hogg International: Mr John R. Abern will be admitted into partnership from November 1.

Imperial Continental Gas Association: Mr Eneane Gutt, Mr Jim L. Stretch and Mr Brian H. Wilnot have been appointed directors. Mr Gutt is a partner in Simont, Gutt & Simont, Brussels and is a director of Contibel SA and UNERG SA. Mr Stretch remains director of oil operations IC Gas and managing director of Century Power and Light. Mr Wilnot retains his appointment as group financial controller of IC Gas.

Allied Breweries: Mr Mike Connolly has been appointed sales and marketing director.

Newman Industries: Mr Robert Crawford has become a non-executive director and will represent the United Kingdom Temperance and General Provident Institution, the main shareholder. Mr David Dunn has been appointed finance director from December 1. Mr Derek Whittaker has been made an executive director from November 1 and will become chairman of the engineering division and Newman Electric Motors.

United Cable Programmes: The following appointments have been made: Mr R. H. Taylor, marketing and sales controller; Mr A. N. Singer, head of acquisitions, programme department; Mr N. J. Lake, head of programme planning and Mr D. J. Chapman, traffic and operations manager.

Clive Cookson on increasing transatlantic competition to provide financial news

Screen challenge for Reuters' market information service



Data bank: Reuter monitor screens at the Bank of America in London

There are significant differences in the style and content the companies offer

For Reuters to justify a ten-figure price tag, there must be a good prospect of its achieving £200m pretax profits with a very few years. Last year's figure was £36.7m, compared with £16.7m in 1981. Reasonable estimates for 1983 and 1984 would be £55m and £80m respectively. So, a valuation of around £750m could perhaps be justified - 28 times this year's prospective taxed earnings.

On the other hand, £1,000m for Reuters seems almost modest in comparison with the \$900m (£600m) capitalization achieved by Telerate when it was floated on the New York Stock Exchange in April. That was more than 50 times the past year's earnings.

Since then Telerate stock has held close to the \$20m offer price. However, shares in Exco, which owns 51.5 per cent of Telerate, have slid from their springtime peak of 753p to about \$40p. At that level Exco's total capitalization is no more than the value of its Telerate stake. (British and Commonwealth Shipping holds another 13.3 per cent of Telerate.)

Telerate's most recent results

showed net income up 76 per cent to \$13.9m for the nine months to June 30. Revenues were 60 per cent higher at \$47.1m.

Reuters still has a much more extensive information network than Telerate. Indeed, it is said to have the second largest communications system in the

world, after the American Department of Defence.

Counting terminals, Reuters' worldwide total of 34,000 compares with Telerate's 11,000. In North America, Telerate leads by about 8,000 to 6,000.

On Reuters' home ground, London, Telerate already has

1,250 terminals; Britain is Telerate's largest market after the United States. Mr Jessup said: "I think we have all the merchant banks in London, except one."

Although each regards the other as its main competitor, there are significant differences in style and content between the

services offered on the Telerate Network and the Reuters Monitor. Many institutions have both terminals.

Telerate's range is considerably narrower and is still based largely on the American financial markets. It competes directly with Reuters on US bonds, money market and foreign exchange quotations. Reuters remains unchanged in fields such as commodities, Eurobonds and share prices.

Of course, several other organizations on both sides of the Atlantic disseminate computerized financial information on a more limited scale. Exel, Datastream and the Stock Exchange (Topic) are London's main examples.

But Reuters and Telerate executives believe that their core services are safe from serious penetration by third parties. "I think Reuters and we have such a big head start in the markets we serve that it will be extremely difficult for more competitors to come along," Mr Jessup said.

The reasoning behind this apparent complacency is that Reuters and Telerate have seen

In North America Telerate leads by 8,000 terminals to Reuters' 6,000

up the most important information sources in their markets. They get their key financial data free from clients, who receive a comprehensive information service in return. As Telerate's London Broker Grieson Grant, put it in a recent circular: "The customer would have to obtain some very significant advantage to want to contribute to a third system and have a third terminal on his desk."

If the smaller vendors cannot compete head-on with the big two, they are likely instead to make cooperative arrangements that would allow them to disseminate their information on to Telerate or Reuters network. Quotron, the main source of American share prices, already works in this way with Telerate.

Grieson Grant estimates that Reuters have penetrated only 20 to 30 per cent of the potential market for financial news terminals. If that is true, if profit margins per terminal continue to fatten, and if all would-be competitors fail to overcome the information supply barrier, the Reuters/Telerate bubble may grow rather than burst.

Financial notebook
Consternation over US state of limbo

President Reagan has had 1,000 days in the White House. But America's closest allies are not at all certain who is in charge on economic and trade issues.

At this critical point in the Administration - when uncertainty abounds over the President's plans and forthcoming elections - there is no one person or group of persons officially able to take a firm decision on the more pressing matters of the day.

The erratic dollar, continuing high interest rates, the high United States budget deficits, East-West trade tensions, growing protectionism in the steel and car industries among others, and conflicts with the European Community are some of the unresolved problems which remain persistent worries despite the American recovery.

Indeed, the only person who has direct, albeit independent, authority, to alter the course of the economy is Mr Paul Volcker, the veteran chairman of the Federal Reserve Board, America's central bank.

Given the stalemate between Congress and the Administration over fiscal policy, and the lack of movement in the Administration on other substantive issues, Mr Volcker's economics show is the only one in town playing to sold-out audiences.

Every utterance of the tall, bespectacled central bank chairman is dissected for some sign of a shift in policy which will drive interest rates up or down over the next year and a half. Monetary policy is expected to be the only discernible policy until after the presidential elections.

This state of limbo is cause for consternation not only among American's political and financial rank and file but also among her closest allies. Her allies fear that a year and a half of inaction on these pressing problems could harm their own chances for sound, durable recoveries.

A high-level British official arrived in Washington recently and was told by embassy specialists before his talks with members of the Reagan Cabinet not to expect anything of a substantive nature.

consternation over the US state of limbo is cause for some pre-election transatlantic group or mechanism with authority to keep matters rolling along while others are preoccupied with the election.

The Administration is attempting to fashion such a group in the foreign policy area, with particular focus on the Middle East. A similar group in the economics and trade area would also be helpful.

"I was told that nothing is going to happen until after the 1984 elections. Can this be true?" he asked. The answer was unambiguously "yes".

Some Administration officials will even admit this in private conversation. "We're already operating on an election schedule. The White House is focused on the election and that's what matters," a US Treasury official said recently.

Without a firm "go" from the White House, the rest of the Washington bureaucracy is virtually paralyzed. This is particularly true in the economics and trade area.

Mr Martin Feldstein, the President's chief economics adviser, is reportedly on his way out.

Mr William Brock, the Trade Representative, and his staff of specialists have been thrust into an internal power struggle with the Commerce Department which has left their status unclear.

The apparent winner in this struggle to merge the commerce and trade functions into one super agency was Mr Malcolm Baldrige, the Commerce Secretary, but he has made clear that he is a loyal soldier who does what he is told by the White House.

And where is Mr David Stockman, the formerly visible director of the Office of Management and Budget, whose staff is already gearing up for work on the 1985 federal budget?

If anyone in the Administration has power to take a decision it is Mr Donald Regan, the Treasury Secretary. But he is already campaigning for the President with a back-breaking schedule which leaves little time for other matters.

In the end, what all the confusion points to is the need for some pre-election transatlantic group or mechanism with authority to keep matters rolling along while others are preoccupied with the election.

The Administration is attempting to fashion such a group in the foreign policy area, with particular focus on the Middle East. A similar group in the economics and trade area would also be helpful.

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Bailey Morris

Authorized Units & Insurance Funds			
Unit Name	Unit Type	Unit Size	Unit Yield
1. American Life Insurance Co.	Life Insurance	\$100,000,000	10.5%
2. New York Life Insurance Co.	Life Insurance	\$100,000,000	10.5%
3. Prudential Insurance Co.	Life Insurance	\$100,000,000	10.5%
4. MetLife Insurance Co.	Life Insurance	\$100,000,000	10.5%
5. Fidelity Investments	Investment Fund	\$100,000,000	10.5%
6. Vanguard Group	Investment Fund	\$100,000,000	10.5%
7. American Mutual Insurance Co.	Life Insurance	\$100,000,000	10.5%
8. Sun Life of Canada	Life Insurance	\$100,000,000	10.5%
9. Western Life Insurance Co.	Life Insurance	\$100,000,000	10.5%
10. Colonial Life Insurance Co.	Life Insurance	\$100,000,000	10.5%
11. Mutual Shares Corp.	Investment Fund	\$100,000,000	10.5%
12. American International Group	Life Insurance	\$100,000,000	10.5%
13. Fidelity Investments	Investment Fund	\$100,000,000	10.5%
14. Vanguard Group	Investment Fund	\$100,000,000	10.5%
15. American Mutual Insurance Co.	Life Insurance	\$100,000,000	10.5%
16. Sun Life of Canada	Life Insurance	\$100,000,000	10.5%
17. Western Life Insurance Co.	Life Insurance	\$100,000,000	10.5%
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MARKET REPORT by Michael Clark

N Sea shakeout forecast

ACCOUNT DAYS: Dealings begin, Oct 17, Dealings end, Oct 28, Contango Day, Oct 31, Settlement Day, Nov 7.

It looks as though the bubble is about to burst for many of our smaller oil exploration companies.

According to a report out today the number of companies involved in exploration for North Sea oil has reached a peak and is likely to decline sharply over the next few years as the industry undergoes a major restructuring.

Mr Martin Lovegrove, an independent consultant who now works for James Capel, the broker, predicts a "major shakeout" over the next three to six years among the 240 companies with interests in North Sea licences.

"Companies will be taken over or merge, while some will either go bankrupt or just leave," he says. "Much of this activity will be centred around the matching of tax shelters with exploration and development expenditures".

BP's recent decision to auction part of its stake in the Forties Field highlights the need for companies to have the right tax balance, and more deals can be expected.

Mr Lovegrove reckons the main casualties will be the

smaller companies with no notable production. After its initial heavy investment of the 1970s the oil industry is now earning \$4,000m a year. This will be the peak in real terms for earnings, declining gradually thereafter unless the

American investors appear to have warmed to the prospect of a US quota for shares of BSR, the electronic components group. Yesterday one broker was actively bidding for 3.5 million shares (2.5 per cent) and appears to have met with some success. The shares closed 12p higher at 165p.

oil price increases dramatically. The report succeeded in taking the steam out of most of the smaller exploration groups. Charterhouse was unchanged on 119p, while Cliff lost 3p to 60p and Tricentral cut short a promising run to close 10p at 214p, after 218p.

Elsewhere, the rest of the equity market was staging a late afternoon rally as a few buyers appeared on the scene after a considerable absence. The FT index has its best session in four months closing 12.6 up at 691.0.

Colts also enjoyed a new lease of life scoring gains of up to 50p in large following the latest set of money supply figures showing M3 falling in line with its target range in September. On the foreign exchange the pound lost 20 points to close at \$1.4895.

American investors have turned their attention on shares of Babcock International 7p higher at 149p. There also seems to have been second thoughts about the value of Blue Circle Industries following the devaluation of the Mexican peso recently. Yesterday the shares jumped 12p to 415p after a period of sluggishness as several brokers buying orders caught jobbers on the hop.

The threat of cheap overseas imports still exists, despite the latest efforts of the European Community. But overseas there are signs of recovery for BCI, although conditions remain difficult. For the present year brokers are looking for pretax profits of nearer £130m.

The market is expected to give a warm welcome to shares of Logica, Europe's biggest software group. Yesterday broker Howe Gluck and merchant banker Clive Bros completed the underwriting of the 10.4 million shares without trouble. The shares should be struck at about 175p compared with the minimum tender price of 140p.

Strong & Fisher, the leather maker, rose 7p to 86p on bid speculation. Word in the market suggest Mr Asif Nadir of Polly Peck fame may have taken more than a passing interest in the shares. Certainly

one famous broker has been heavy buyers of the shares.

Shares of A. J. Weyhington (Holdings) the textiles group advanced 7p to 30p. Earlier this week, Michael Hartland, the financial services group, bought an extra 194,000 shares taking its stake up to 277,000 shares, or 13 per cent of the total.

Francis Industries, the engineering group, improved up to 77p on the news Suter had stepped up its interest in the company with the purchase of 795,000 shares. It now owns 1.89 million shares, or 17.1 per cent of the total. Asked if Suter would eventually make a full bid a spokesman said: "We have just increased our stake at this stage. I wouldn't like to comment any further".

Meanwhile, the Kuwait Investment Office now owns 2.2 million shares in Powell Duffryn amounting to 5.62 per cent of the issued equity. Shares of Powell rose 1p to 244p.

The London Trust has reduced its holding in Mysos Group with the sale of 2 million shares. It now owns 429 million shares (8.4 per cent). Mysos held steady at 51p.

THE TIMES 1000

1982/1983

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RECENT ISSUES

Company	Price	Change
A.M. Baker	100.00	+0.50
Acorn Computers	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50
Admiral	100.00	+0.50

BRITISH FUNDS

Company	Price	Change
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50
British Fund	100.00	+0.50

COMMONWEALTH AND FOREIGN

Company	Price	Change
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50
Commonwealth	100.00	+0.50

LOCAL AUTHORITIES

Company	Price	Change
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50
Local Authority	100.00	+0.50

DOLLAR STOCKS

Company	Price	Change
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50
Dollar Stock	100.00	+0.50

BANKS AND DISCOUNTS

Company	Price	Change
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50
Bank and Discount	100.00	+0.50

BREWERIES AND DISTILLERS

Company	Price	Change
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50
Brewery and Distiller	100.00	+0.50

COMMERCIAL AND INDUSTRIAL

Company	Price	Change
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50
Commercial and Industrial	100.00	+0.50

A-B

Company	Price	Change
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50
A-B	100.00	+0.50

Sterling: Spot and Forward

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Money Market Rates

Clearing Bank Rate 10%	Clearing Bank Rate 10%
Overnight	10.00
1 month	10.00
3 months	10.00
6 months	10.00
12 months	10.00
Overnight	10.00
1 month	10.00
3 months	10.00
6 months	10.00
12 months	10.00

Other Markets

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Dollar Spot Rates

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Euro \$ Deposits

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Gold

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Investment Trusts

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Insurance

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Financial Trusts

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Property

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Plantations

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Miscellaneous

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
Amsterdam	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895
Stockholm	1.4895
Copenhagen	1.4895
Oslo	1.4895

Unlisted Securities

Market rates	Market rates
New York	1.4895
London	1.4895
Frankfurt	1.4895
Paris	1.4895
Geneva	1.4895
Basel	1.4895
Brussels	1.4895
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FOOTBALL: SLEEPLESS NIGHTS LIE IN WAIT FOR LIVERPOOL, HAMBURG AND RANGERS

Crowned heads of Europe nod into the arms of Morpheus

Cracks have appeared in the security system of the traditional European Cup stronghold. For the last decade the most prized Continental trophy has been kept within the vaults of England and West Germany but both of their representatives, Liverpool and particularly Hamburg, were caught off guard on Wednesday night.

It was as though Liverpool were lying in the arms of Morpheus. No one could recall a more subdued performance at Anfield, usually a noisy arena that became as quiet as the city streets at dawn. They eventually awoke to the possibility but failed to prevent Athletic Bilbao stealing away with the advantage of a goalless draw.

Liverpool had enough possession (Kennedy, their left back, could not remember a game when he had gone forward so often) but lacked penetration. Joe Fagan, their manager, remains optimistic about the eventual outcome but only one foreign side, Ferencvaros, have won in Bilbao and that was 15 years ago.

Even a firework that exploded next to Hamburg's bench did not rouse the holders from their

slumber during a second-round tie that was held up for three minutes, they must now score four times without reply at home to Dynamo Bucharest, yet they and Liverpool may be inspired by memories that are still fresh.

Three seasons ago Liverpool responded to a similarly disappointing result against Bayern Munich (whose captain, Uli Hoefges, fuelled their determination by calling them "stupid") to reach the final and claim the title for the third time. In the semi-final the year before Hamburg, two down to Real Madrid, recovered with the help of Keegan to win 5-3 on aggregate.

Enfield, the other former champions among the last 16, would also be in greater danger of going out had Anastopoulos, the scorer of the only goal for the Olympic Piraeus, not later missed a penalty. Roma, conquerors of CSKA Sofia, whose recent victory have included Liverpool at Nottingham Forest, are the new favourites.

The fear of Spanish violence may have proved unfounded at Anfield but Barcelona maintained their appalling discipline

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Rangers return looking frail

By Hugh Taylor

Considering the tribulations which have afflicted him in a traumatic season, John Greig was surprisingly philosophical over the latest calamity to beset Rangers and blight their hopes of winning the European Cup Winners' Cup tie with the impressive FC Porto.

While the supporters were still bemoaning the horrific mistake by the veteran goalkeeper, Greig, which made the gift to the lively Portuguese team of a crucial away goal in the dying minutes of Wednesday night, the Rangers manager was pointing to past successes to underline his belief that his team have a future in Europe this season.

Although Rangers now travel to the second leg at the Portuguese fortress with a slender 2-1 lead, Greig remains defiant. He said: "When we won the tournament in 1972 we went to Sporting Lisbon just 3-2 ahead from the first game and won through. After all, we should remember that we beat a first-class side. Realistic analysis of the Rangers at Porto produced no evidence to show that they are efficient enough to contain the excellent Porto side on their own territory."

The tragic Rangers defence looked all at sea as the Portuguese turned on a stunning display in the second half and on their own ground, Porto will be even more menacing. On a night of black comedy, the Rangers' defence, somewhat undeservedly, to score the second of their goals. This was followed by a routine later by an equally inept effort to clear his lines by McCloy and McCloy, who has been dropped from tomorrow's match against Motherwell.

With Celtic beaten 2-1 in Lisbon by Sporting in the UEFA Cup and, to the words of their manager, David Hay, "dead lucky to get away with losing only two goals", hopes of a return of European glory for Lothian, the city in which they became the first British club to win the European Cup, were ended by Sporting who struck with devastating effect.

The Celtic defence failed to cope with the speedy array of the outstanding attackers, Jordao and Oliveira, and Hay was in no mood yesterday to diminish the magnitude of the task facing his team in the second round at Parkhead.

He was stunned by the way Sporting so easily pierced the Celtic defence but said that only old time Parkhead aggression from the start could save the tie for his club in the second leg. Now it looks as though the new firm of Aberdeen and Dundee United, who put Celtic and Rangers in a Scottish competition last year, will take over as the country's champions in Europe.

Both played with style and patience to return a satisfactory result in the UEFA Cup, Dundee United drawing 0-0 with Standard Liege in the European Cup and Aberdeen regaining composure and, in the defence of their Cup Winners' Cup, going on to beat the Rangers at Parkhead with a 0-0 draw to the credit of the underdog Belgian league leaders Beveren.

Authoritative Miss Durie takes chances to reach last eight

By Rex Bellamy, Tennis Correspondent

Susan Barker and Joanna Durie, Britain's last challengers for the singles title, have produced exciting performances on consecutive days to reach the last eight of the Daihatsu tournament at the Brighton Centre. Yesterday it was Miss Durie's turn. She took only 56 minutes to win 6-4, 6-1 against an experienced, beefy left-hander from Switzerland, Petra Delhees.

The impressive tie, which was the authority with which Miss Barker and Miss Durie exaggerated an expected superiority, Miss Delhees looked sharper yesterday than she had done against Amanda Brown in the first round. She held Miss Durie as far as 4-4 in the first set. Then it became clear that Miss Delhees was comparatively shaky on the backhand and that only Miss Durie could improve on the level of performance each had previously attained.

These are unusually large players with a boisterous approach to tennis. Some rallies raised images of heavyweight fighters slugging away at each other with more freedom than discretion. That was Miss Durie's more consistently competent at almost everything. Perhaps the most heartening feature was that because of her agility, quick reactions, and willingness to take chances - she was flexible enough to improvise startling winners at times when Miss Delhees seemed to have the initiative.

Miss Durie towers over her next opponent, Anna Kiyomura, a Californian of Japanese descent, by almost a foot. Miss Kiyomura is gentle and serene, but clever too. Anyone that small cannot get far in tennis. Miss Kiyomura is both.

Miss Kiyomura won 6-2, 6-2 against a sturdy French left hander, Nathalie Herreman, aged 17, whose success she could be a fine player if attentive to the lessons opponents like Miss Kiyomura can teach her. This match had much in common with another: that in which little Miss Jausovec, seeded seventh, who hails from the south of France and at the age of 18 is already almost 5ft 9in tall.

In the French championships Miss Tanvier beat Virginia Ruzici but took only six games from Miss Jausovec. The difference yesterday lay largely in the fact that Miss Jausovec played three hours and 40 minutes of singles and doubles the previous day, eventually wrenched some back muscles, yet was on court again - physically and tactically inhibited - less than 13 hours after she had left it.

It was thrilling to see Miss Jausovec craftily plugging the ball this way and that in an attempt to achieve a triumph of mind over muscle. In the second set she had three set points. But this was Miss Tanvier's day and what joyous company she was. A charming blonde strikingly dressed in red, she walked with the hint of a confident swagger prevalent among natural athletes. (A tall, attractive young French woman) and played with a panache that created its own turbulence.

Miss Tanvier's aggressive game demands the assistance of more

Joyous Catherine Tanvier. (Photograph: Chris Cole)

penetrating approach shots. But some of her low volleys were superb and in the decisive tie-break three forehand volleys, a disparate trio in pace and direction, put the stamp of class on a fine performance that may worry her next opponent, Chris Lloyd.

Miss Tanvier was young and lovely and adventurous and wonderfully talented - and the younger Pascale Paradis looks even more promising. These are exciting days for French tennis.

SECOND ROUND: C. Tanvier (Fr) to M. Jausovec (Yug), 7-5, 7-6; J. Durie (GB) to P. Delhees (Swi), 6-4, 6-1.

VIENNA: Grand Prix tournament (GB unless stated). First Round: A. Jarry (Swi) to K. Knapik (Pol), 6-3, 6-2; S. Lloyd (GB) to B. Borkowicz (Pol), 6-3, 6-2. Second Round: C. Tanvier (Fr) to M. Jausovec (Yug), 7-5, 7-6; J. Durie (GB) to P. Delhees (Swi), 6-4, 6-1.

MELBOURNE: Double Challenge (GB unless stated). First Round: A. Jarry (Swi) to K. Knapik (Pol), 6-3, 6-2; S. Lloyd (GB) to B. Borkowicz (Pol), 6-3, 6-2. Second Round: C. Tanvier (Fr) to M. Jausovec (Yug), 7-5, 7-6; J. Durie (GB) to P. Delhees (Swi), 6-4, 6-1.

Why the sky-blue strip of Manchester has a McNeill tartan border

The citizens may yet come to praise the still ambitious Caesar

When Peter Swales met Billy McNeill in Carlisle a few months ago in his search for Manchester City's fifth manager in almost as many years, the talk inevitably turned to the question of money for the purchase of new players in the second division - or, rather, the now embarrassing lack of it.

McNeill, probably the most outstanding club captain in Britain other than Danny Blanchflower during the modern era of European football, was accustomed as Celtic's manager to handling notable players. Now he mentioned to Swales a possible player of whom the chairman had never even heard. Mr. Swales thought to himself, with a silent, sardonic laugh, at least that's an encouraging start economically.

It was no more than 18 months since City, the 1982 FA Cup finalists, had defeated Wolverhampton at Maine Road at Christmas to lead the first division, only to slide into an accelerating decline precipitated by gross overspending: first by Malcolm Allison and then John Bond. When Trevor Francis went to Italy in a panic sale just before the start of last season, economies at Maine Road were needed not merely to meet the wages but the gas bill. As McNeill says: "The worry was that when would the slide stop? You have to level out before you can start going up again."

It was hardly a casino of optimism which Swales was offering McNeill. The bank had closed on the well-intentioned but absurdly over-priced bid to usurp Manchester United's envied position as the top team in town. City, 17 years on, were back where they came from with the original Mercer-Albion partnership.

If Mr Swales, relatively new to senior football, had erred in supporting the crippling expenditure on players such as Robinson from Preston - an acquisition by the re-named Allison now seen at Liverpool to have been justified - and Daley and Francis, his saving grace was that he does passionately believe in Manchester City; that of all chairmen who have allowed a club to overreach themselves, he does not appear to be seeking personal gain, undemonstratively leaving his manager to manage from day to day.

Now, for the first time, he may have the right man. There are one or two who talk of Billy McNeill's quiet, personable attitude to football in the early days he laughs easily and unaffectedly and, as someone who won the European Cup, nine league championships, five Scottish

Cups and five League Cups, he retains a refreshing belief that to any sensible player the game is more important than the money. "Maybe the money matters but there has to be a balance." That he himself left Celtic on financial differences was untypical.

The player whom he mentioned in Carlisle was Jim McInnes, a promising Scottish striker rescued from an unhappy two years with Lokeren in Belgium, where he at times played full back. If that was a shrewd buy for only £25,000 so, at the same price, was Neil McNeil, a midfield player who, they say, can make the ball talk, but had successfully squandered his wide-ranging ability at Tottenham and Brighton. "Now, married and with two children, he realizes the time has come to stop people questioning whether he does have skill," McNeill said.

With Derek Parlane, a free transfer from Leeds, the top scorer, and three other free transfers, including two Scotsmen, it might be thought that, together with his assistant manager, Jimmy Frizzell, formerly of Oldham, McNeill was bent on changing City's colours from sky-blue to tartan. He denies that it has been a conscious decision.

"Maybe some people thought that perhaps I felt more confident dealing with Scots, but with the limited funds available I had to go for value for money. They are all giving it. I certainly would not want to develop a specially Scottish side. What I have found here is that there is a patience, among the players and the public, that you don't get in Scotland. We tend up there to lean more on the individual because we are anxious for things to happen in more of a hurry though, having said that, I think Aberdeen won the Cup Winners' Cup because they developed a patient build-up."

As Celtic's captain he earned the nickname of Caesar and he has shown himself willing to rule having moved south. When Macdonald and Bodak were discovered out drinking at 1.00 on the morning of a pre-season match they were dismissed. He believes in discipline work. Mr Swales observes: "In four months I have never been to the club when he was not busy. He certainly is a worker."

After retiring as player McNeill left the game, subsequently returned as manager with Clyde, then moved to Aberdeen, whom he took to second place in the premier division, and eventually moved back to Celtic, where he concentrated on developing young players, such as Charlie



McNeill: a trump card called patience

Nicholas and Paul McStay. These players carry some of Scotland's World Cup ambitions in a team eliminated from the European finals.

McNeill rightly considers that the European Championship is often an impediment to international managers, obstructing World Cup preparation, and he thinks that Jock Stein may be fortunate to have the pressure off him - which is certainly not the case at Maine Road.

"There is so much to be done, both with players and the club, and it will take a lot of time. Of course, we will have to try to move towards promotion, but you need to look beyond that, to having stability when you get back in the first division. We need to develop our own resources beneath the first team. Because the club went out buying expensive players, the juniors lost impetus, they could not see a way into the first team, and that has to be restored. I found the same situation at Celtic when I returned. It so often happens when a club has been a long while at the top."

If McNeill takes the headlines away from Ron Atkinson we can be sure the extravagance will come from his team rather than him. He is one of those who considers God was mischievous in allowing the Scots to invent whisky and at Maine Road he wants the champagne to be on the pitch.

David Miller

Cattlin not to be drawn on Melia resignation

Brighton are unlikely as yet to appoint a manager to succeed "ummy" Melia, who resigned five months after leading them to the FA Cup final. The chief coach, Chris Cattlin, will not be given the manager's title. Melia blamed a personality clash for his decision, but Cattlin refused to be drawn yesterday. He said: "Things have been said which are upsetting to me and my family. But all who know me after my 17 years in football, including 10 in the first division with Coventry, will form their own views. I can say, however, that I was appointed coach

with Melia's full knowledge and approval. Cattlin retired from playing three years ago and built a successful seaside rock business before rejoining Brighton as coach during the summer.

"I wouldn't go to any other club and if released from this job I would still stay in the town," he said. "I want to get Brighton back into the first division and into Europe. My thoughts are simple - we must nearly every other club. It is time the game was given back to the supporters."

He wants two more experienced players to bring his first team squad up to strength.

The lonely road from Brentford for Harris

Ron Harris has lost his job as player-coach at Brentford, a few days after leading the third division club's Milk Cup challenge against Liverpool, the champions.

A statement from Brentford read: "Following discussion between Brentford chairman Martin Lange and player-coach Ron Harris this morning, the association of Harris and the club has been terminated by mutual consent."

Harris, 39 next month, joined the club in 1980 after 20 years at Chelsea, to coach the reserves and juniors, but continued to play. He helped Brentford to the fourth round of the Milk Cup last season when they finished ninth. His last appearance was on Saturday at home to Hull.

Brentford, however, have struggled this season, slumping to 18th with only two wins in ten games and, after a Wednesday night, they are sliding out of the Milk Cup, trailing 4-1 for next week's second leg at Anfield.

Harris said: "The way things have been going down there the last few weeks this is not a surprise. But the moment I do not really want to add to the club statement, but I might have something to say later."

Don Megson became the latest manager to lose his job this week when he decided to quit at Bournemouth yesterday.

Eastoe's goal is in vain

Peter Eastoe, on loan from West Bromwich, scored his first goal for Leicester City on Wednesday night, but they stayed bottom of division one after losing 3-1 to Norwich City at Carrow Road.

Eastoe's goal gave Leicester, still without a win this season, a 3-1 lead over the bottom team. Donough qualified and Bertschin, playing his 100th match for Norwich, made it 2-1 on the hour. Channon added a penalty eight minutes from time.

Newcastle were second in division two by beating Cardiff 2-0 with goals from Keegan and Beardsley, while third division leaders Oxford United put up for sale earlier in the day by chairman Robert Maxwell, beat Bradford 2-0, with goals from Hebburn.

Wednesday's results

FIRST DIVISION: Norwich City 3, Leicester City 1.
SECOND DIVISION: Cardiff City 1, Newcastle United 1.
THIRD DIVISION: Oxford United 2, Bradford City 0.

FOOTBALL: LEB: 1st League: Norwich City 3, Leicester City 1. 2nd League: Cardiff City 1, Newcastle United 1. 3rd League: Oxford United 2, Bradford City 0.

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Ballesteros falls prey to trigger-happy hunters

From a Special Correspondent, Malaga

In the early seventies Tony Jackal had to put up with the distraction of enthusiastic but in the golfing sense, uneducated photographers, especially when he played on the continent. Now they have a new target - Severiano Ballesteros.

Unaware of the subtleties of the game, photographers apparently used to covering holiday stories on the Costa del Sol were moving jerkily around their new prey, ignoring the golden rule of golfing: to "click" only after a player has hit his shot.

In the Benson & Hedges Spanish Open, Ballesteros, two under at the turn, twice took liberties with the unwritten rules. Then his concentration ruined by the frantic photographers, he went to tap in backhand a putt of just one inch at the fourth - his 13th hole - and the ball, in circumstances very similar to those Hale Irwin experienced in the Open championship at Birkdale, may well have cost him the title which was won by Tom Watson. Ballesteros's slip might not be so costly because it made him concentrate his mind so effectively that he closed with five birdies and

very nearly finished the last in the lead.

Ahead of him on 67 were Ireland's Eamonn Darcy, who putted well after his recent bout of influenza, and Seamus, who has made 65,500 in unofficial events within the last three weeks. The highlight of his performance was a four hole run which included three birdies and an eagle from the sixth, and in his final hole he hit a 130 yard shot to move from 87th in the money list into the top 60 by the end of the season in three weeks time. Top 60 rating guarantees automatic qualification for 1984 into all tournaments.

Neil Coles, chairman of the European PGA tour but an infrequent competitor this year, shot 71 in an event involving only four of last week's Ryder Cup team. Larger than usual holiday crowds were out to watch Ballesteros, who needs to win here and in Barcelona next week to overhaul Nick Faldo at the top of the European money list.

Torrance scored 72 to establish himself five shots off the lead.

SCOTCH (British unless stated): 8. D. Duncanson (Scot) 68, J. Duncanson (Scot) 69, J. Duncanson (Scot) 70, J. Duncanson (Scot) 71, J. Duncanson (Scot) 72, J. Duncanson (Scot) 73, J. Duncanson (Scot) 74, J. Duncanson (Scot) 75, J. Duncanson (Scot) 76, J. Duncanson (Scot) 77, J. Duncanson (Scot) 78, J. Duncanson (Scot) 79, J. Duncanson (Scot) 80, J. Duncanson (Scot) 81, J. Duncanson (Scot) 82, J. Duncanson (Scot) 83, J. Duncanson (Scot) 84, J. Duncanson (Scot) 85, J. Duncanson (Scot) 86, J. Duncanson (Scot) 87, J. Duncanson (Scot) 88, J. Duncanson (Scot) 89, J. Duncanson (Scot) 90, J. Duncanson (Scot) 91, J. Duncanson (Scot) 92, J. Duncanson (Scot) 93, J. Duncanson (Scot) 94, J. Duncanson (Scot) 95, J. Duncanson (Scot) 96, J. Duncanson (Scot) 97, J. Duncanson (Scot) 98, J. Duncanson (Scot) 99, J. Duncanson (Scot) 100, J. Duncanson (Scot) 101, J. Duncanson (Scot) 102, J. Duncanson (Scot) 103, J. Duncanson (Scot) 104, J. Duncanson (Scot) 105, J. Duncanson (Scot) 106, J. 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RACING: DICKINSON TO COMPLETE DOUBLE WITH FORMER IRISH STEEPLECHASER

The Mighty Mac set to show old zest again

By Michael Phillips, Racing Correspondent

After a spring, summer and autumn spent flat racing, watching some high-class jumping at Newbury this afternoon will be like a breath of fresh air. Four of the races have been sponsored, with pride of place going to the Glynwed International Steeplechase.

Observe with this race 12 months ago when it was known as the Hermitage Steeplechase. On that occasion he carried 10st 7lb. Now he has to jump 12st and he will be meeting Dramatist, who finished third to him last year on 35lb worse terms to three and a half lengths. In the circumstances, Dramatist, who has such a fine record over the course will never have a better opportunity of adding to his tally.

Dramatist though may be thwarted by The Mighty Mac. A crack steeplechaser in Ireland two and three seasons ago, The Mighty Mac was bitterly disappointing last winter when he was trained in this country by John Edwards. As a result of those numerous falls he has come down considerably in the handicap and now he looks the ideal type for his new trainer, Michael Dickinson, to exploit with his customary skill.

The Dickinson magic already appears to have worked wonders because The Mighty Mac looked something like his old self at Market Rasen a week ago when he won by 20 lengths.

That race will have done him a power of good and it should give him a fitness edge over those who have not had the season as far as peak fitness is concerned. Besides Dramatist, Fulke Walwyn is also saddling Everest who could be a factor in the Hennessy Cognac Gold Cup here in a month's time.

A run in the Free Handicap Hurdle at Chepstow already this season should also give Perma-boss an advantage over Connaught River and Jorge Miguel in the Flavel-Lesure Four-year-old Hurdle.

Dickinson award

Michael Dickinson, who had the amazing training feat of adding the first five home in the Cheltenham Chase Stakes, is the National Hunt trainer of the year in the Horsemen's Association's Derby awards.

The award for the Flat trainer went to John Dunlop, Willie Carson won the Flat jockey prize for the third time, and John Francome received the National Hunt jockey award.

Newbury

Total: Double 2.45, 3.45, Treble 2.15, 3.15, 4.15.

(Television (BBC1) 2.15, 2.45, 3.15 and 3.45 races)

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Cauthen reaches century in style

By Michael Seely

So the 1,000 and 2,000 Guineas, the Derby and Oaks will now close on November 9 this year. The closing date for the 1984 St Leger remains unchanged on July 11.

It has been anticipated that later closing would produce fewer entries, thus reducing the value of the races concerned. So the stewards of the Jockey Club have approved the same committee's other recommendations that racecourses should be allowed to charge increased entrance money for pattern races next year.

Leading National Hunt trainers yesterday joined Sir Ian Trethowan, the chairman of the Levy Board, in welcoming the new Courage Cup, the details of which were announced at Newbury. This will be a three-mile handicap steeplechase series featuring eight qualifiers (two of them in Ireland) and a £200,000 added limited handicap final. In all it represents an injection of £50,000 into the sport.

Chepstow, Sandown Park, Cheltenham, Kempton, Wetherby and Doncaster will be the courses where the qualifying races will be run.

One of the Irish qualifiers will be stage at Fairyhouse in November, the other in February at a course still to be decided. The first four finishers in each heat will be eligible for the final which will be staged at Newbury on Saturday, March 24.

Tolomeo appeal

The connections of Tolomeo, relegated from second to fourth place in last Saturday's Dubai Champions Stakes, are appealing against the decision at Jockey Club headquarters in London on Monday. His owner, Carlo D'Allesio, trainer, Luca Cumani, and jockey, Gianfranco Dettori, have all appealed against the ruling of the Newmarket stewards. Dettori was suspended for eight days after the stewards found him guilty of careless riding.

Steve Cauthen continued his golden 1984 by landing a double for Ian Balding on Insular and Elegant Air. Newbury yesterday was the victory of Elegant Air in the Morris Hill Stakes gave the 23-year-old American jockey his 100th winner of the season and his 407th since his arrival in this country, five years ago. About an hour earlier Cauthen had also gained his first win in the Royal Colours when riding Insular in the Great Western Stakes.

As Chris McCurtin and Cash Assmusen had shown at Sandown on Wednesday, all American riders are superb judges of pace. And now the same invisible time clock operated in Cauthen's head gave a masterly exhibition of waiting in front on both horses.

Elegant Air looked like being beaten for a few strides below the distance as Walter Swinburn launched his attack on My Volga. But Cauthen's horse, who was a mile and a half behind, was a mile and a half better. Round Hill, the 2-1 favourite, finished a neck away third.

"He looked a bit woolly in his coat," said Balding afterwards. "In fact I was in two minds whether to run him. I hope that he will stay a mile and a half better." Like his sire, the mighty Mill Reef, Elegant Air was bred by his owner who was present to watch his colt's victory. Balding also had new 7-Diamond Shal. "Unfortunately the horse is lame and will have to miss the Turf classic at Aqueduct. There is a slight chance, however, that he might be right for the Japan Cup in Tokyo."

Insular was winning his fourth race in succession for the Queen and will remain in training next season. "There is a lot more fun to be had with him yet," said Lord Portchester, the Royal racing manager. The running of the Great Western Stakes also marked the end of an era. After George Reed had finished third to Insular, Jeremy Tree, the three-year-old's trainer said, "That's the last time that you will see the colours of Mr J. H. Walden carried on a racecourse."

It is now over 50 years since Easter Hero won the Cheltenham Gold Cup.

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A royal first: Steve Cauthen clear on the Queen's Insular at Newbury

Gold Cup and finished second, carrying 12st 7lb, to Grellagh in the 1925 Grand National. Since then the famous pink and black-and-white striped colours have been carried with continual distinction by such talented performers as Lord Minslie, Spring Easy and D'Arville.

Michael Jarvis's horses have been in fine form recently and Betsy Bay gave the Newmarket trainer his seventh winner of the month with an authoritative display in the Richmond Thompson Newbury Stakes. "She has done nothing but improve all season," said the trainer afterwards. Jarvis will have received

nothing but encouragement from Betsy Bay's victory for the chances of Beldale Lear, who will be attempting to give the trainer his second victory in the William Hill Futurity at Doncaster tomorrow.

John Dunlop's magnificent autumn continued when Lester Piggott rode Cromie to a two-lengths win in the second division of the Theale Maiden Stakes. Piggott is now only ten behind Willie Carson in the fight for the jockey's title; but the banned leader is due to resume riding on Monday. Dunlop has been carrying all before him in his European side recently and the Sussex trainer hopes that Aragon

will be able to carry on the good work in the Prix de la Forêt at Longchamp on Sunday.

Cromie is a full sister to Runnett and like that high-class sprinter was bred by Robert Percival at his stud in Northamptonshire.

Richard Quinn drew level with Michael Hills at the head of the apprenticeship championship when winning the Round Oak Stakes on Cheri Berry for Bill Wightman. Both boys have now ridden 35 winners apiece. However Quinn, who rides in Florence on Sunday, still has the commanding lead in the Long John Whisky European apprentice championship.

The AAA and its southern area members, however, should not have holes in their bank statements for very long if their offer is taken up. The AAA has arranged two England matches against Poland and the United States at Cusford in March. The dates have to be rubber-stamped by the European Amateur Association at their calendar conference in Madrid next week, and then there are two sponsors waiting in the wings with around £50,000 each.

In last year's corresponding match with the United States, extra seats had to be brought in for a crowd of 4,000, and the home athletes responded to the best support by winning by one point, and Seb Coe contributed a new indoor world best in the 800 metres.

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ATHLETICS

Promise of more money

By Pat Fletcher

Two of Britain's athletics governing bodies have voted £125,000 of their profits toward improving the country's inadequate indoor athletics facilities. The London docklands scheme to convert a huge warehouse into a national indoor arena goes ahead, the Amateur Athletic Association will contribute £100,000, and the Southern Counties AAA £75,000, towards the London arena.

The docklands scheme is one of several city centre projects. Including Birmingham, Doncaster, Swansea and Slough for indoor arenas. For, despite the talents of such athletes as Steve Cram, Daley Thompson, Sebastian Coe, and Steve Ovett, plus the road running boom - which has brought hundreds of thousands of pounds in recent years - the lack of indoor facilities necessary to maintain the sport's impetus has made Britain a poor nation.

There are almost a hundred indoor arenas and tracks throughout Europe, and twice that number in the United States, but Britain's athletes still have to make do with one 200 metre track in an RAF base at Cusford on the Staffordshire/Shropshire border.

The decision by the committee of the AAA and the Southern Counties AAA to plough back some of the money that they have raised from their athletes' endeavours is a positive step towards improving that situation.

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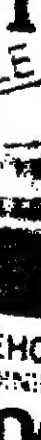
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**From Jim Jones
Cardiff**

Mr Hibino said: "Although we have more than 3,000 teams



"Unfortunately we did not know it would be so windy over here so when we get back after our expected defeat we will train again, only this time we will have giant fans on the touchline to simulate the wind. We will not give up. We play on mud and dirt but one day we will beat you. This is our dream."



Tong

h work: **Players practising a m**

Paul while manager Shippy Kom



...io looks on.

From Christopher Walker, Jerusalem

Referring to the shooting of Lord Moyne in Cairo, Mr. Shamir stated: "We always regretted the loss of life. But we look at what the British author and investigator, Nicholas Bethell (Lord Bethell) has written about Lord Moyne: he was Colonial Secretary when the unfortunate immigrant ship, The SSuna, reached Istanbul, and he was the one who pressured the Turks into pushing it back out into the Black Sea."

manipulated to ensure that Mr Shamir and another escaped detainee, were not extradited to the British.

"Among those involved was the French Prime Minister, M Robert Schumann who signed a personal letter ordering the transport of the two to France to be assured", Dr Ariel claimed. "French Navy ships brought Shamir and Ben-Eliezer from Djibouti to France in 1948 with the status of political refugees".

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Bishop's father, murdered by supporters of Sir Eric Gairy, the previous Prime Minister

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